

<i>SERFF Tracking Number:</i>	<i>STFH-125832827</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Mutual Automobile Insurance Company</i>	<i>State Tracking Number:</i>	<i>40360</i>
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.001 Qualified</i>
<i>Product Name:</i>	<i>Long-Term Care Insurance 97060 AR & 97060 ARS</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Filing at a Glance

Company: State Farm Mutual Automobile Insurance Company

Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS
 SERFF Tr Num: STFH-125832827 State: ArkansasLH

TOI: LTC03I Individual Long Term Care	SERFF Status: Closed	State Tr Num: 40360
Sub-TOI: LTC03I.001 Qualified	Co Tr Num:	State Status: Approved-Closed
Filing Type: Form/Rate	Co Status:	Reviewer(s): Marie Bennett, Harris Shearer

Authors: Barb Metz, Jennifer Soucek

Date Submitted: 09/25/2008

Disposition Date: 11/05/2008

Disposition Status: Approved

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name:	Status of Filing in Domicile: Not Filed
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Group Market Size:
Overall Rate Impact:	Group Market Type:
Filing Status Changed: 11/05/2008	
State Status Changed: 11/05/2008	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
See Cover Letter	

Company and Contact

SERFF Tracking Number: *STFH-125832827* State: *Arkansas*

Filing Company: *State Farm Mutual Automobile Insurance* State Tracking Number: *40360*

Company

Company Tracking Number:

TOI: *LTC03I Individual Long Term Care* Sub-TOI: *LTC03I.001 Qualified*

Product Name: *Long-Term Care Insurance 97060 AR & 97060 ARS*

Project Name/Number: */*

Filing Contact Information

Barb Metz, Analyst - Legislation/Policy Forms barb.metz.bfn5@statefarm.com

1 State Farm Plaza (309) 766-6544 [Phone]

Bloomington, IL 61710-0001 (309) 766-8483[FAX]

Filing Company Information

State Farm Mutual Automobile Insurance CoCode: 25178 State of Domicile: Illinois

Company

One State Farm Plaza Group Code: Company Type:

Bloomington, IL 61710-0001 Group Name: State ID Number:

(309) 735-2447 ext. [Phone] FEIN Number: 37-0533100

Filing Fees

Fee Required? Yes

Fee Amount: \$500.00

Retaliatory? Yes

Fee Explanation: \$50.00 X 8 forms = \$400.00

 \$50.00 x 2 sets of rates = \$100.00

Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
State Farm Mutual Automobile Insurance	\$500.00	09/25/2008	22718875
Company			

SERFF Tracking Number: STF-125832827 State: Arkansas

Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 40360

Company Company

Company Tracking Number:

TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified

Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS

Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted			
Approved	Harris Shearer	11/05/2008	11/05/2008			
Objection Letters and Response Letters						
Objection Letters		Response Letters				
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Marie Bennett	10/09/2008	10/09/2008	Barb Metz	11/03/2008	11/03/2008
Industry						
Response						

SERFF Tracking Number:	STFH-125832827	State:	Arkansas
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TOI:	LTC03I Individual Long Term Care	Sub-TOI:	LTC03I.001 Qualified
Product Name:	Long-Term Care Insurance 97060 AR & 97060 ARS		
Project Name/Number:	/		

Disposition

Disposition Date: 11/05/2008

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *STFH-125832827* State: *Arkansas*

Filing Company: *State Farm Mutual Automobile Insurance Company* State Tracking Number: *40360*

Company Tracking Number:

TOI: *LTC03I Individual Long Term Care* Sub-TOI: *LTC03I.001 Qualified*

Product Name: *Long-Term Care Insurance 97060 AR & 97060 ARS*

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Certification/Notice		Yes
Supporting Document	Application		Yes
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		Yes
Supporting Document	Cover Letter		Yes
Supporting Document	Exhibits I - IV		Yes
Form	Long-Term Care Insurance Policy		Yes
Form	Long-Term Care Insurance Policy		Yes
Form <i>(revised)</i>	Nonforfeiture Benefit/Shortened Benefit Rider		Yes
Form	Nonforfeiture Benefit/Shortened Benefit Rider		Yes
Form	Long-Term Care Insurance Application		Yes
Form	Long-Term Care Outline of Coverage		Yes
Form	Personal Worksheet		Yes
Form	Potential Rate Increase Disclosure		Yes
Form	Replacement Notice		Yes
Rate	Arkansas Non-Partnership Rates Table C03 - Form 97060 AR		Yes
Rate	Arkansas Non-Partnership Rates Table C03 - Form 97060 ARS		Yes

SERFF Tracking Number: STFH-125832827 State: Arkansas
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Company
Company Tracking Number:
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified
Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS
Project Name/Number: /

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/09/2008
Submitted Date 10/09/2008

Respond By Date

Dear Barb Metz,

This will acknowledge receipt of the captioned filing.

Objection 1

- Nonforfeiture Benefit/Shortened Benefit Rider (Form)

Comment: The rider states benefits payable "will not exceed the benefit period stated on the Policy Schedule." Where on the Policy Schedule page is the Benefit Period displayed?

Please feel free to contact me if you have questions. Also, please certify compliance with and furnish form number of the Consumer Information Notice as required by ACA 23-79-138. This also applies to the Partnership Plans submitted.

Sincerely,

Marie Bennett

Response Letter

Response Letter Status Submitted to State
Response Letter Date 11/03/2008
Submitted Date 11/03/2008

Dear Harris Shearer,

Comments:

Response 1

Comments: We have modified Amendment Rider 99591 AR to remove reference to the policy schedule.

Related Objection 1

Applies To:

- Nonforfeiture Benefit/Shortened Benefit Rider (Form)

Comment:

SERFF Tracking Number: STFH-125832827 State: Arkansas
 Filing Company: State Farm Mutual Automobile Insurance Company State Tracking Number: 40360
 Company Tracking Number:
 TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified
 Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS
 Project Name/Number: /

The rider states benefits payable "will not exceed the benefit period stated on the Policy Schedule." Where on the Policy Schedule page is the Benefit Period displayed?

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Nonforfeiture Benefit/Shortened Benefit Rider	99591 AR		Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Initial		43	99591 AR.pdf

Previous Version

Nonforfeiture Benefit/Shortened Benefit Rider	99591 AR		Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	Initial		43	99591 AR.pdf
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No Rate/Rule Schedule items changed.

Sincerely,
 Barb Metz, Jennifer Soucek

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Company Tracking Number:

TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified

Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS

Project Name/Number: /

Form Schedule

Lead Form Number: 97060 AR

Review Status	Form Number	Form Type	Form Name	Action	Action Specific Data	Readability	Attachment
	97060 AR	Policy/Cont	Long-Term Care ract/Fratern Insurance Policy al Certificate	Initial		46	97060AR.pdf
	97060 ARS	Policy/Cont	Long-Term Care ract/Fratern Insurance Policy al Certificate	Initial		45	97060 ARS.pdf
	99591 AR	Policy/Cont	Nonforfeiture ract/Fratern Benefit/Shortened al Benefit Rider Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		43	99591 AR.pdf
	1000899	Application/	Long-Term Care Enrollment Insurance Application Form	Initial		50	1000899 (app).pdf
	1000831	Outline of Coverage	Long-Term Care Outline of Coverage	Initial		0	AR Outline of Coverage 1000831.pdf
	1000483	Other	Personal Worksheet	Initial		0	1000483 (PW for 97060).pdf
	1000486	Other	Potential Rate Increase Disclosure	Initial		0	1000486 (NAIC modified for ages).pdf
	126729.1	Other	Replacement Notice	Initial		0	126729.1(Rep lacement

Notice -NAIC
version).pdf

STATE FARM MUTUAL
AUTOMOBILE INSURANCE COMPANY
Home Office/Bloomington, Illinois

INSURED

INITIAL PREMIUM

POLICY NUMBER

POLICY DATE

PREMIUM MODE



HEALTH
INSURANCE

THIS POLICY IS A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

We are pleased to issue this Long-Term Care Insurance Policy to You. It was issued in consideration of Your application and payment of the required premium. We suggest You carefully read it.

**GUARANTEED RENEWABLE FOR LIFE
PREMIUMS SUBJECT TO CHANGE**

Your policy will remain in effect during Your lifetime as long as each premium is paid on time. We cannot cancel or refuse to renew Your policy. We cannot change Your policy without Your consent. However, We may change the premium rates. Any change will apply to all policies in the same class as Yours in the state where the policy was issued. We will notify You in writing 45 days before Your premium changes.

We provide a refund of unearned premium when We are notified of Your death or You exercise Your right to request cancellation.

30 DAY REVIEW PERIOD

If You feel this policy does not meet Your insurance needs, return it to Us or Your agent within 30 days after You have received it. We will return Your premium and consider the policy never to have been issued.

CHECK YOUR APPLICATION

Caution: The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are incorrect or untrue, We have the right to deny benefits or rescind Your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact Us at State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710.

NOTICE TO BUYER

This policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all policy limitations.

Countersigned _____
Licensed Resident Agent

LONG-TERM CARE INSURANCE POLICY

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STATE OF ISSUE	[ANY STATE]		
INSURED	[DOE, JOHN D.]	[\$X, XXX.XX]	INITIAL PREMIUM
POLICY NUMBER	[H100000 1212]		
POLICY DATE	[NOVEMBER 1, 2008]	[ANNUAL]	PREMIUM MODE
FIRST RENEWAL DATE: [NOVEMBER 1, 2009]			

THE BENEFITS AND PREMIUMS SHOWN ON THIS SCHEDULE ARE EFFECTIVE [NOVEMBER 1, 2008].

COVERAGE SUMMARY

<u>FORM</u>	<u>COVERAGE INFORMATION</u>	<u>ANNUAL PREMIUM</u>
97060 AR	LONG-TERM CARE POLICY	[\$X, XXX.XX]
	UP TO THE MAXIMUM DAILY BENEFIT	[\$100-\$500 (\$25 increments)]
	ELIMINATION PERIOD	[30 DAYS, 90 DAYS, 180 DAYS]
	ORIGINAL MAXIMUM LIFETIME BENEFIT	[\$XXX, XXX]
	FUTURE PURCHASE OPTION MAXIMUM DAILY BENEFIT INCREASE	\$25
[99591 AR]	NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER (will only display if selected)	[XXX.XX]

ANNUAL RENEWAL PREMIUMS SUBJECT TO RENEWABILITY PROVISION ON PAGE 1.

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GUIDE TO YOUR LONG-TERM CARE POLICY
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The following is a Guide to Your Long-Term Care Policy. It tells You what is included in Your policy and on what page(s) You can find it.

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SECTION 1: IMPORTANT DEFINITIONS

Many words in Your policy have specific definitions. These words have been capitalized throughout Your policy for easy identification. This section defines these important terms.

Activities of Daily Living:

1. **Bathing.** Washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2. **Continence.** The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
4. **Eating. Feeding Yourself** by getting food into Your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5. **Toileting.** Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
6. **Transferring.** Moving into or out of a bed, chair, or wheelchair.

Adult Day Care: a program of day services and care provided in a community group setting outside the home that includes:

1. Care for six (6) or more individuals; and
2. Social and health-related services provided to support frail, impaired elderly, or other disabled adults, by providing Maintenance, Personal or Custodial Services.

Adult Day Care Facility: a facility that is licensed by the jurisdiction in which the services are provided, if offered or available, to provide Adult Day Care. An Adult Day Care Facility provides Adult Day Care for only part of a day. If licensing is not required or available, Adult Day Care Facility means a facility that provides Adult Day Care and satisfies all the following requirements:

1. A staff of at least two, to include one Registered Nurse or Licensed Practical/Licensed Vocational Nurse; and
2. Operates at least five (5) days a week for at least six (6) hours a day; and
3. Maintains daily records for all patients of the care and services provided; and
4. Has established procedures for obtaining appropriate aid in the event of a medical emergency.

Alternate Care Facility: a facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

1. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care services sufficient to support the needs of a Chronically ILL individual; and
3. Has at least one (1) trained staff member on duty at all times; and

4. Provides three (3) meals per day, accommodating special dietary needs; and
5. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
6. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

Calendar Week: any seven (7) consecutive calendar days beginning on Sunday and ending on the following Saturday.

Care Manager: a medical professional or organization chosen at Our discretion, which may be used to perform physical and cognitive assessments of You, develop a Plan of Care to meet Your needs depending on their assessment, and identify eligible caregivers that would satisfy Your care needs.

Caregiver Training: specific training by a Licensed Health Care Practitioner, or their designee, which provides instruction to an uncompensated Informal Caregiver in basic caregiving techniques which will allow You to remain in Your Home if You have been certified Chronically ILL:

1. Advising how to provide safe and Substantial Assistance with Your Activities of Daily Living by instructing in the proper care and use of medical devices and equipment like urinary catheters, ostomy bags, wheelchairs, etc., and/or
2. Advising how to provide safe and Substantial Supervision.

Chronically ILL: certification by a Licensed Health Care Practitioner that You:

1. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
2. Require Substantial Supervision to protect Your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically ILL for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

Cognitive Impairment: certification by a Licensed Health Care Practitioner that You have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect Yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

1. Short and long term memory; and
2. Orientation as to person (who You are), place (Your location), and time (day, date, and year); and
3. Deductive or abstract reasoning.

Durable Medical Equipment is equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose; and
3. Is generally not useful to a person in the absence of sickness or injury.

Effective Date of Coverage: the date when coverage starts under Your policy and is shown on the Policy Schedule. Coverage begins and ends at 12:01 A.M. in the area of Your residence.

Elimination Period: the number of days for which We will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of Your Elimination Period are shown on Your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

Family Member: Your spouse and anyone who is related to You or Your spouse (including adopted, in-law, and step-relatives) as a: parent, grandparent, child, or grandchild; brother or sister; aunt or uncle; first cousin, nephew or niece.

Functional Incapacity: the inability to perform at least two (2) Activities of Daily Living without Substantial Assistance.

Hands-On Assistance: physical assistance (minimal, moderate or maximal) provided to You by another person, without which You could not perform Your Activities of Daily Living.

Home and Adult Day Care: Qualified Long-Term Care services provided:

1. In Your Home by a Home Health Care Agency; or
2. In an Adult Day Care setting.

Home Health Care Agency: an entity or equally recognized agency which provides home health care or Hospice services that:

1. Has an agreement as a provider of home health care services or Hospice care and is certified under the Medicare program; or
2. Is licensed or certified to operate as a Home Health Care Agency, or equivalent, or Hospice by the appropriate licensing agency in the state where You receive care, when a license or certificate is offered or available; or
3. Obtains a license, certification, or other approval by the state as a personal care or similarly titled agency, and follows all requirements to obtain and retain this license, certification, or approval; or
4. Participates as an approved provider in the state Medicaid program;

And:

1. Secures physician orders, when required, before providing directed, medical care; and
2. Is able to provide hands-on assistance with Activities of Daily Living, when required; and
3. Receives appropriate training, as necessary, to accommodate needs for the supervision of individuals with a Cognitive Impairment; and
4. Receives training to properly administer medications or supervise self-administration of medications, as appropriate; and
5. Receives supervision by a Registered Nurse or other appropriate recognized and assigned personnel on a regular basis when providing medical care; and
6. Receives training in first aid, CPR, and other emergency situations, as indicated; and
7. Receives training in the proper documentation procedure for provided services and be required to maintain this documentation.

For purposes of this policy, a Home Health Care Agency includes an independently state licensed physical, occupational, respiratory, or speech therapist, or a registered, licensed practical, or licensed vocational nurse, operating under the structure and limitations of their license.

Home Modification: physically changing Your Home to accommodate and manage at Your Home, the condition or impairment for which You have been certified Chronically ILL.

Hospice: inpatient or outpatient organization, licensed by the state as a Hospice or participating in the Medicare program, designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts to You, when You have been diagnosed with a terminal illness, and there is no reasonable prospect of cure, with a life expectancy of six (6) months or less.

Informal Caregiver: a non-licensed person providing care to You. An Informal Caregiver is not eligible for payment of services provided to You under this policy.

Licensed Health Care Practitioner: a licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Registered Nurse, or Licensed Social Worker, other than You or a Family Member, independent of Us and not an owner or in control of the operation of an Alternate Care Facility, Long-Term Care Facility, Home Health Care Agency, or Hospice, from whom You are receiving treatment.

Long-Term Care Facility: a facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

1. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
3. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

Maintenance, Personal, or Custodial Services: any care for which the primary purpose is to provide non-skilled assistance in the performance of Activities of Daily Living or supervision after You have been certified Chronically ILL.

Maximum Calendar Week Benefit: the total maximum amount payable on a Calendar Week basis (Sunday through Saturday) under the Home and Adult Day Care Benefit.

Maximum Daily Benefit: the total maximum amount payable to You in one (1) day under the following:

1. Alternate Care Facility Benefit;
2. Long-Term Care Facility Benefit; and
3. Bed Reservation Benefit.

Maximum Lifetime Benefit: the total amount payable during the lifetime of Your policy for all benefits. Your original Maximum Lifetime Benefit is shown on Your Policy Schedule.

Medicaid: means the reimbursement system under Title XIX of the Federal Social Security Act, as amended.

Medical Help System: a communication system, located in Your Home, used to summon medical attention in case of a medical emergency.

Medicare: means the reimbursement system under Title XVIII of the Federal Social Security Act, as amended.

Plan of Care: a specific, written description of Your needs, including type of care, frequency, duration, and providers of this care which:

1. Is initiated by and approved in writing by a Licensed Health Care Practitioner who is not a Family Member or related to Your Family Member; and
2. May be confirmed in writing at least once every 60 days; and
3. Must be renewed at least every 12 months.

Policy Schedule: the page of Your policy which lists important facts, such as the effective date of Your policy, the policy number, Elimination Period, Maximum Daily Benefit, and the Maximum Lifetime Benefit as of the Effective Date of Coverage. Optional benefit information, if applicable, and premium information is also included on the Policy Schedule.

Pre-existing Condition: a health condition for which You received treatment or medical advice within the six (6) months before the effective date of Your policy, and did not disclose on Your application for insurance.

Qualified Long-Term Care: diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services which:

1. Are required by a Chronically ILL individual; and
2. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses You incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at Your request for beautification, comfort, convenience, or entertainment. Expenses You incur for medical supplies and prescription or nonprescription medication may be eligible when You are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

Respite Care: Qualified Long-Term Care services provided in Your Home or in an Alternate Care Facility, or Long-Term Care Facility, or in or by a Hospice to temporarily relieve the Informal Caregiver who normally provides care for You in Your Home.

Stand-By Assistance: presence of another person within arms reach of You who can provide assistance by physically intervening to prevent injury to You while performing Your Activities of Daily Living.

Substantial Assistance: assistance provided by another person that is either Hands-On or Stand-By in nature.

Substantial Supervision: supervision, including but not limited to cueing by verbal prompting, gesturing, or other demonstration, by another person.

We, Our, Us: The State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710-0001.

You, Your, Yourself: The insured named on the Policy Schedule.

Your Home: includes Your place of residence and living arrangements in a private home.

Your Home does not include or mean a Long-Term Care Facility or Alternate Care Facility, a hospital, a home for the retired or aged, a place which provides residential care, or a section of a nursing facility providing only residential care.

Your Personal Representative: a person legally authorized to make health care decisions on an individual's behalf or to act for a deceased individual or the estate.

SECTION 2: BENEFITS OF YOUR POLICY

Limitations or Conditions on Eligibility for Benefits General Benefit Information

This section describes the Benefits and how they are payable under Your policy.

How to Qualify for Benefits: To qualify for benefits under this policy, You must:

1. Be certified Chronically ILL; and
2. Satisfy Your Elimination Period, unless otherwise stated within the policy.

Limitations or Conditions on Eligibility for Benefits: Benefits will only be paid for expenses incurred while this policy is in force and that:

1. Are eligible, covered, Qualified Long-Term Care services under Your policy; and
2. Follow the recommendations identified in Your Plan of Care.

No benefits under Your policy will be paid for any services You receive or expenses You incur unless:

1. You are certified Chronically ILL; and
2. You satisfy Your Elimination Period, unless otherwise stated within the policy.

All benefits paid will apply toward, and will not be paid in excess of, Your Maximum Lifetime Benefit, with the exception of the Waiver of Premium Benefit.

Benefits will not be paid in excess of your Maximum Daily Benefit, unless otherwise stated within the policy.

We will not duplicate any payments made by Medicare for any service or item that may be eligible under this contract, including deductible and coinsurance amounts.

Coverage for Alzheimer's Disease: We provide benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

No Need for Hospitalization: You are not required to be hospitalized before receiving benefits under Your policy.

Home and Community-Based Care Benefits What They Are and How They Work

Home and Adult Day Care Benefit

If You are certified Chronically ILL and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in Your Home or Adult Day Care, We will pay, on a Calendar Week basis, the lesser of:

1. Seven (7) times the Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided in a Calendar Week by:
 - a. A Home Health Care Agency; and/or
 - b. Adult Day Care.

Home and Adult Day Care benefits will not be payable if You are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

Respite Care Benefit

In addition to any benefits payable above, We will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

Medical Help System Benefit

If You are certified Chronically ILL, We will pay the expense You incur each month, not to exceed 25% of Your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of Your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if You are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid do not apply toward Your Elimination Period.

Caregiver Training Benefit

If You require eligible, covered, Qualified Long-Term Care services, We will pay the expenses You incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to Your Maximum Daily Benefit.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward Your Elimination Period.

This benefit is payable to enable You to remain in Your Home or return to Your Home, to be cared for by Your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

Facility Benefits What They Are and How They Work

Alternate Care Facility Benefit

If You are certified Chronically ILL, each day You require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

Long-Term Care Facility Benefit

If You are certified Chronically ILL, each day You require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

Bed Reservation Benefit

If You are certified Chronically ILL and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while You are temporarily absent, We will pay up to 30 days per calendar year to hold Your room. The amount payable will be the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur to reserve Your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

Waiver of Premium Benefit What It Is and How It Works

The premiums for Your policy that become due after You are certified Chronically ILL and receive 90 days of eligible, covered, Qualified Long-Term Care services, will be waived so long as You:

1. Remain Chronically ILL; and
2. Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If You recover or are no longer receiving eligible, covered, Qualified Long-Term Care services, or Your Maximum Lifetime Benefit Amount has been paid, You will need to resume paying Your premium to keep Your policy in force.

Days used to satisfy Your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

Alternate Plan of Care Benefit What It Is and How It Works

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

1. Requested by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care Benefit agreement is approved, benefits will be provided per this agreement. The Medical Help System Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist You to remain at home. We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expense You incur under this agreement.

Home Modification and Durable Medical Equipment Benefit What It Is and How It Works

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable You to remain in Your Home if the following requirements are met:

1. The request is made by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Expected to enable You to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
4. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to Your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for You to return to Your Home or enables You to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in Your body, or items commonly found in a household. Items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to Our approval of Your request. If Your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of Your or Our rights under the policy.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid will not apply toward Your Elimination Period.

Future Purchase Option Benefit What It Is and How It Works

On the anniversary of Your policy's Effective Date of Coverage following Your 45th, 50th, 55th, 60th, and 65th birthdays, You will be given the opportunity to increase Your Maximum Daily Benefit by the amount shown on the Policy Schedule. This increase will be effective on Your policy anniversary date. Application for the increase must be submitted within 60 days of notice.

This increase is not available if:

1. You are Chronically ILL; or
2. You have required or received eligible, covered, Qualified Long-Term Care services within the past 180 consecutive days; or

Premiums for the increased benefit will be based on Your age at the time of increase and the premium rates then in effect.

No Future Purchase Option or adjustment will be made while this policy is in effect under any nonforfeiture benefit.

Restoration of Benefits What It Is and How It Works

If Your Maximum Lifetime Benefit is not exhausted, it will be fully restored to its original maximum as if no claim benefits have been paid, if:

1. You are no longer Chronically ILL; and
2. You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

Contingent Nonforfeiture Benefit

If Your policy lapses within 120 days of the due date of a premium rate increase and You have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to You, then We will provide a Contingent Nonforfeiture Benefit to You.

What Is The Contingent Nonforfeiture Benefit and How Does It Work

The Contingent Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if Your policy lapses as a result of a substantial premium increase as outlined below. The Contingent Nonforfeiture Benefit upon lapse shall be triggered every time We increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your initial annual premium set forth below:

Issue Age	Substantial Percent Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%

On or before the effective date of a substantial premium increase as outlined above, We will offer:

1. To reduce Your current policy benefits without evidence of insurability so that Your required premium payments are not increased; or
2. To convert Your current coverage to a paid up status with a shortened benefit period.

The contingent nonforfeiture benefit/shortened benefit payable for a Long-Term Care Facility stay or Home and Community-Based Care incurred after the date of lapse will be subject to the following limits:

- a. The Maximum Daily Facility Benefit and Home and Adult Day Care Maximum Daily Benefit will be the amounts in effect on the date of lapse.
- b. The Maximum Amount We will pay for all covered care or services You receive after the date of lapse is the greater of:
 - (1) 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any change in benefits; or
 - (2) 30 times the Nursing Facility Daily Benefit Amount in effect on the date of lapse.

The total benefits payable under the policy and all attached riders, including this contingent benefit, will not exceed the Maximum Lifetime Benefit Amount at the time of lapse.

3. Notify You that a default or lapse at any time during such 120 day period will be deemed to be the election to convert to the paid up status with the shortened benefit period.

SECTION 3: EXCLUSIONS AND LIMITATIONS

When We Will Not Provide Benefits

This section describes situations and conditions in which payment will be limited or denied even if You otherwise qualify for benefits.

Exclusions

We will not pay benefits when:

1. You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
2. Your condition or impairment is the result of war or any act of war, declared or undeclared;
3. Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
4. No charge is normally made in the absence of insurance;
5. Services are provided outside of the United States of America or its territories or possessions;
6. Your condition or impairment is brought about as a result of Your participation in a felony, riot, or insurrection;
7. Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
8. Your condition or impairment is brought about, directly or indirectly, as a result of Your alcoholism or addiction to drugs or narcotics; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

Pre-existing Condition Limitation

We will not pay for a loss due to a Pre-existing Condition which You did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause Your policy to be voided.

If this policy replaces another long-term care insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

SECTION 4: CLAIMS

This section describes how to notify Us of a claim, how and when to file a claim, care management services, when and how Your claim is paid, and other rights and responsibilities under the policy.

Notifying Us of a Claim

You must notify Us in writing of a claim within 30 days after a covered loss begins, or as soon as reasonably possible, through Your agent.

How to File a Claim

We will send You appropriate claim forms within 15 days after We receive notice of Your claim. If We do not, You can meet the requirements of providing Us with a written proof of loss by sending Us a written statement describing the type and nature of Your loss.

When to File a Claim

You should send us written proof of loss within 90 days after the end of the time period in which You were treated.

How We Evaluate a Claim

Information will be obtained from You, Your Licensed Health Care Practitioner, and Care Manager as appropriate, to evaluate Your eligibility for benefits. It may be necessary to request an independent evaluation or physical examination, which would be done at Our expense. Periodically, similar reviews will be needed to determine Your ongoing eligibility for benefits by requesting an update to Your Plan of Care and confirming Your continued Chronically ILL status.

Care Management Services

We can, with Your approval, provide You with access to care management professionals, named at Our discretion, who can work with You, Your Personal Representative, and Your Licensed Health Care Practitioner to create and monitor Your Plan of Care. Assessments of Your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to You and will not count against Your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.

When Your Claim Is Paid

Your claim will be paid immediately after We receive due written proof of loss.

How Your Claim Is Paid

Providing Your policy is in force, We will pay benefits to You, or Your estate, unless You have requested in writing that payment is to be made otherwise.

If benefits are payable to Your estate, We may pay up to \$1,000 to any Family Member of Yours We feel is entitled to the benefits. Any payments made in good faith will discharge Us to the extent of the payment.

Our Right to Obtain Information

At Our expense, We have the right to have a physician or other qualified medical personnel examine You or obtain an assessment of Your Chronically ILL status as often as reasonably necessary while You are receiving benefits.

Appeals of Claim Denials

If You, or a provider acting on Your behalf, have had a claim denied by Us, You have the opportunity to appeal that claim decision by notifying Us in writing with the reasons for Your appeal. We will respond to Your appeal within 60 days.

Misstatement of Your Age

If Your age has been misstated on the application, Your policy benefits will be based on the amount Your premium would have purchased at Your correct age. If We would not have issued a policy, We will refund the premium You paid and consider the policy never to have been issued.

Limitations on Legal Actions

You cannot sue or bring legal action against Us:

1. Before 60 days after We receive written proof of loss; or
2. More than three (3) years after written proof of loss is required.

SECTION 5: PREMIUM PAYMENT AND REINSTATEMENT OF YOUR POLICY

This section discusses issues like premium payment, importance of paying premiums on time, what happens if premiums are not paid, protection available in the event of lapse of Your policy.

Paying Premiums

Premiums are to be paid with United States currency. They are due at the beginning of each policy term. Payment may be made to Us at Our Home Office at One State Farm Plaza, Bloomington, Illinois 61710, or to Your agent. You can change the policy term if You notify Us in writing and it is agreed upon by You and Us.

What Happens When Premiums Are Not Paid

You are allowed a 65 day grace period for late payment of each premium due after the first premium. Your policy will remain in force during this period.

If You do not pay Your premium by the end of the grace period, Your policy will terminate.

Extension of Benefits: If Your policy terminates for nonpayment of premium, during which You are confined in a Long-Term Care Facility or an Alternate Care Facility, We will extend benefits beyond the date of termination for as long as eligible, covered, Qualified Long-Term Care services continue without interruption. Benefits will continue to be provided following the guidelines established in Your Plan of Care, complying with all provisions of Your policy, until You have not received eligible care for at least 180 consecutive days.

Unintentional Lapse Protection

You have the right to designate an individual in addition to Yourself to receive notification when Your policy will terminate because of nonpayment of premium.

We will notify the person You designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of Your policy, You will be given the right to change the designated person.

What Happens to Your Premiums if You Die

When We are notified of Your death, We will make a refund of any unearned premium paid for the period beyond Your death.

Putting the Policy Back in Force

If the renewal premium is not paid before the grace period ends, the policy will lapse. Later acceptance of the premium by Us or by an agent expressly authorized to accept payment without requiring an application for reinstatement, will reinstate this policy.

If We or Our agent require an application, You will be given a conditional receipt for the premium. If the application is approved, the policy will be reinstated as of the approval date. Unless We have previously written You of Our disapproval, the policy will be reinstated on the 45th day after the date of the receipt of such application.

The reinstated policy will cover only losses due to conditions that begin after the date of reinstatement. In all other respects, Your and Our rights remain the same, subject to any provisions noted on or attached to the reinstated policy.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premium will be applied to any period more than 60 days before the reinstatement date.

Putting the Policy Back in Force After Nonpayment of Premium Due to Cognitive Impairment or Functional Incapacity

Also, within six (6) months following termination of Your policy for nonpayment of premium, You, or Your Personal Representative, may request reinstatement of Your policy on the basis that You suffered from Cognitive Impairment or Functional Incapacity, or You would have otherwise qualified for benefits under the policy, at the time of policy termination.

We will require evidence of clinical diagnosis or tests demonstrating that You suffered from Cognitive Impairment or Functional Incapacity at the time of policy termination. If such demonstration substantiates, to Our satisfaction, the existence of Cognitive Impairment or Functional Incapacity at the time of policy termination, We will reinstate Your policy. The clinical diagnosis and tests needed to affirm this diagnosis will be at Your expense.

If We reinstate Your policy after nonpayment of premium due to Cognitive Impairment or Functional Incapacity:

1. This reinstatement shall not require any evidence of insurability, and
2. The reinstated policy shall cover losses occurring from the date of policy cancellation. There will be no gaps in coverage. Coverage will be at the level provided prior to reinstatement, and
3. The premium shall be paid from the date of the last premium payment at the rate which would have been in effect had the policy remained in force. Payment must be made within 15 days following Our request.

SECTION 6: THE CONTRACT

This section identifies the documents which describe all contractual agreements, the importance of accurate and truthful application completion, and other basic rights, obligations, and features.

What Makes Up the Contract

This policy is a legal, binding contract between You and Us. The contract is made up of:

1. The policy;
2. The application; and
3. Any attached papers.

No one can change any part of this policy or waive any of its provisions unless the change is approved in writing on the policy by one of Our officers.

Importance of Information on the Application/Time Limit on Certain Defenses

We issued this policy based on information You provided. Any incorrect or omitted information known to You at the time of application may cause Your policy to be voided or a claim to be denied.

If Your policy has been in force, or increase in coverage effective, for less than six (6) months, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is material to the acceptance of coverage.

If Your policy has been in force for at least six (6) months but less than two (2) years, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the conditions for which benefits are sought.

After Your policy has been in force for two (2) years, only fraudulent misstatements in the application can be used to void the policy or deny a claim for loss incurred after the two (2) year period.

If We have paid benefits under this policy, such benefit payments may not be recovered by Us in the event that Your policy is rescinded.

Your Right to Reduce Coverage and Lower Premiums

You have the right to reduce coverage and lower the policy premium at any time. The following options may be available depending on Your current policy benefits:

1. Decrease the daily benefit; or
2. Increase the Elimination Period; or
3. Decrease the maximum benefit factor; or
4. Removal of the optionally purchased Nonforfeiture Benefit/Shortened Benefit Rider, if purchased.

Contact Your agent to determine which of these options best suits Your financial needs. The age to determine the premium for the reduced coverage will be based on Your age when this policy was issued.

Your Right to Request Cancellation

You have the right to cancel this policy at any time by written notice delivered or mailed to Us. Such cancellation will be effective upon receipt or on such later date as You state in such notice. We may waive these requirements by confirming the date and time of cancellation to You in writing. In this event, We will return promptly the pro rata unearned portion of any premium paid. Cancellation shall not prejudice any claim for expenses incurred prior to the effective date of cancellation.

Conformity With Statutes

Any provisions of this policy which, on the Effective Date of Coverage, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on the Policy Schedule.


The Internal Revenue Code, as administered by the Department of the U.S. Treasury, may affect the status of this policy as tax qualified. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may establish different requirements.

We intend to administer this policy so it maintains qualification as a tax qualified plan.


SECTION 7: MUTUAL CONDITIONS

1. **Membership.** While this policy is in force, you are entitled to vote at all meetings of members and to receive dividends the Board of Directors in its discretion may declare in accordance with reasonable classifications and groupings of policyholders established by such Board.
2. **No Contingent Liability.** This policy is non-assessable.
3. **Annual Meeting.** The annual meeting of the members of the company shall be held at its home office at Bloomington, Illinois, on the second Monday of June at the hour of 10:00 A.M., unless the Board of Directors shall elect to change the time and place of such meeting, in which case, but not otherwise, due notice shall be mailed each member at the address disclosed in this policy at least 10 days prior thereto.

In Witness Whereof, The State Farm Mutual Automobile Insurance Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.



Secretary



President

STATE FARM MUTUAL
AUTOMOBILE INSURANCE COMPANY
Home Office/Bloomington, Illinois

INSURED

INITIAL PREMIUM

POLICY NUMBER

POLICY DATE

PREMIUM MODE



HEALTH
INSURANCE

THIS POLICY IS A QUALIFIED LONG-TERM CARE INSURANCE CONTRACT UNDER SECTION 7702B(b) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

We are pleased to issue this Long-Term Care Insurance Policy to You. It was issued in consideration of Your application and payment of the required premium. We suggest You carefully read it.

**GUARANTEED RENEWABLE FOR LIFE
PREMIUMS SUBJECT TO CHANGE**

Your policy will remain in effect during Your lifetime as long as each premium is paid on time. We cannot cancel or refuse to renew Your policy. We cannot change Your policy without Your consent. However, We may change the premium rates. Any change will apply to all policies in the same class as Yours in the state where the policy was issued. We will notify You in writing 45 days before Your premium changes.

We provide a refund of unearned premium when We are notified of Your death or You exercise Your right to request cancellation.

30 DAY REVIEW PERIOD

If You feel this policy does not meet Your insurance needs, return it to Us or Your agent within 30 days after You have received it. We will return Your premium and consider the policy never to have been issued.

CHECK YOUR APPLICATION

Caution: The issuance of this long-term care insurance policy is based upon Your responses to the questions on Your application. A copy of Your application is attached. If Your answers are incorrect or untrue, We have the right to deny benefits or rescind Your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of Your answers are incorrect, contact Us at State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710.

NOTICE TO BUYER

This policy may not cover all of the costs associated with long-term care incurred by You during the period of coverage. You are advised to review carefully all policy limitations.

Countersigned _____
Licensed Resident Agent

**LONG-TERM CARE INSURANCE POLICY
WITH SIMPLE INFLATION COVERAGE**

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STATE OF ISSUE	[ANY STATE]		
INSURED	[DOE, JOHN D.]	[\$X, XXX.XX]	INITIAL PREMIUM
POLICY NUMBER	[H100000 1212]		
POLICY DATE	[NOVEMBER 1, 2008]	[ANNUAL]	PREMIUM MODE
FIRST RENEWAL DATE: [NOVEMBER 1, 2009]			

THE BENEFITS AND PREMIUMS SHOWN ON THIS SCHEDULE ARE EFFECTIVE [NOVEMBER 1, 2008].

COVERAGE SUMMARY

<u>FORM</u>	<u>COVERAGE INFORMATION</u>	<u>ANNUAL PREMIUM</u>
97060 ARS	LONG-TERM CARE POLICY	[\$X, XXX.XX]
	UP TO THE MAXIMUM DAILY BENEFIT	[\$100-\$500 (\$25 increments)]
	ELIMINATION PERIOD	[30 DAYS, 90 DAYS, 180 DAYS]
	ORIGINAL MAXIMUM LIFETIME BENEFIT	[\$XXX, XXX]
	5% SIMPLE INFLATION BENEFIT	
[99591 AR]	NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER (will only display if selected)	[XXX.XX]

ANNUAL RENEWAL PREMIUMS SUBJECT TO RENEWABILITY PROVISION ON PAGE 1.

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GUIDE TO YOUR LONG-TERM CARE POLICY
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The following is a Guide to Your Long-Term Care Policy. It tells You what is included in Your policy and on what page(s) You can find it.

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SECTION 1: IMPORTANT DEFINITIONS

Many words in Your policy have specific definitions. These words have been capitalized throughout Your policy for easy identification. This section defines these important terms.

Activities of Daily Living:

1. **Bathing.** Washing Yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
2. **Continence.** The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
3. **Dressing.** Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
4. **Eating. Feeding Yourself** by getting food into Your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
5. **Toileting.** Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
6. **Transferring.** Moving into or out of a bed, chair, or wheelchair.

Adult Day Care: a program of day services and care provided in a community group setting outside the home that includes:

1. Care for six (6) or more individuals; and
2. Social and health-related services provided to support frail, impaired elderly, or other disabled adults, by providing Maintenance, Personal or Custodial Services.

Adult Day Care Facility: a facility that is licensed by the jurisdiction in which the services are provided, if offered or available, to provide Adult Day Care. An Adult Day Care Facility provides Adult Day Care for only part of a day. If licensing is not required or available, Adult Day Care Facility means a facility that provides Adult Day Care and satisfies all the following requirements:

1. A staff of at least two, to include one Registered Nurse or Licensed Practical/Licensed Vocational Nurse; and
2. Operates at least five (5) days a week for at least six (6) hours a day; and
3. Maintains daily records for all patients of the care and services provided; and
4. Has established procedures for obtaining appropriate aid in the event of a medical emergency.

Alternate Care Facility: a facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

1. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care services sufficient to support the needs of a Chronically ILL individual; and
3. Has at least one (1) trained staff member on duty at all times; and

4. Provides three (3) meals per day, accommodating special dietary needs; and
5. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
6. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

Calendar Week: any seven (7) consecutive calendar days beginning on Sunday and ending on the following Saturday.

Care Manager: a medical professional or organization chosen at Our discretion, which may be used to perform physical and cognitive assessments of You, develop a Plan of Care to meet Your needs depending on their assessment, and identify eligible caregivers that would satisfy Your care needs.

Caregiver Training: specific training by a Licensed Health Care Practitioner, or their designee, which provides instruction to an uncompensated Informal Caregiver in basic caregiving techniques which will allow You to remain in Your Home if You have been certified Chronically ILL:

1. Advising how to provide safe and Substantial Assistance with Your Activities of Daily Living by instructing in the proper care and use of medical devices and equipment like urinary catheters, ostomy bags, wheelchairs, etc., and/or
2. Advising how to provide safe and Substantial Supervision.

Chronically ILL: certification by a Licensed Health Care Practitioner that You:

1. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
2. Require Substantial Supervision to protect Your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically ILL for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

Cognitive Impairment: certification by a Licensed Health Care Practitioner that You have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect Yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

1. Short and long term memory; and
2. Orientation as to person (who You are), place (Your location), and time (day, date, and year); and
3. Deductive or abstract reasoning.

Durable Medical Equipment is equipment which:

1. Can withstand repeated use;
2. Is primarily and customarily used to serve a medical purpose; and
3. Is generally not useful to a person in the absence of sickness or injury.

Effective Date of Coverage: the date when coverage starts under Your policy and is shown on the Policy Schedule. Coverage begins and ends at 12:01 A.M. in the area of Your residence.

Elimination Period: the number of days for which We will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of Your Elimination Period are shown on Your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

Family Member: Your spouse and anyone who is related to You or Your spouse (including adopted, in-law, and step-relatives) as a: parent, grandparent, child, or grandchild; brother or sister; aunt or uncle; first cousin, nephew or niece.

Functional Incapacity: the inability to perform at least two (2) Activities of Daily Living without Substantial Assistance.

Hands-On Assistance: physical assistance (minimal, moderate or maximal) provided to You by another person, without which You could not perform Your Activities of Daily Living.

Home and Adult Day Care: Qualified Long-Term Care services provided:

1. In Your Home by a Home Health Care Agency; or
2. In an Adult Day Care setting.

Home Health Care Agency: an entity or equally recognized agency which provides home health care or Hospice services that:

1. Has an agreement as a provider of home health care services or Hospice care and is certified under the Medicare program; or
2. Is licensed or certified to operate as a Home Health Care Agency, or equivalent, or Hospice by the appropriate licensing agency in the state where You receive care, when a license or certificate is offered or available; or
3. Obtains a license, certification, or other approval by the state as a personal care or similarly titled agency, and follows all requirements to obtain and retain this license, certification, or approval; or
4. Participates as an approved provider in the state Medicaid program;

And:

1. Secures physician orders, when required, before providing directed, medical care; and
2. Is able to provide hands-on assistance with Activities of Daily Living, when required; and
3. Receives appropriate training, as necessary, to accommodate needs for the supervision of individuals with a Cognitive Impairment; and
4. Receives training to properly administer medications or supervise self-administration of medications, as appropriate; and
5. Receives supervision by a Registered Nurse or other appropriate recognized and assigned personnel on a regular basis when providing medical care; and
6. Receives training in first aid, CPR, and other emergency situations, as indicated; and
7. Receives training in the proper documentation procedure for provided services and be required to maintain this documentation.

For purposes of this policy, a Home Health Care Agency includes an independently state licensed physical, occupational, respiratory, or speech therapist, or a registered, licensed practical, or licensed vocational nurse, operating under the structure and limitations of their license.

Home Modification: physically changing Your Home to accommodate and manage at Your Home, the condition or impairment for which You have been certified Chronically ILL.

Hospice: inpatient or outpatient organization, licensed by the state as a Hospice or participating in the Medicare program, designed to provide palliative care, alleviate the physical, emotional, social, and spiritual discomforts to You, when You have been diagnosed with a terminal illness, and there is no reasonable prospect of cure, with a life expectancy of six (6) months or less.

Informal Caregiver: a non-licensed person providing care to You. An Informal Caregiver is not eligible for payment of services provided to You under this policy.

Licensed Health Care Practitioner: a licensed Medical Doctor (M.D.), Doctor of Osteopathy (D.O.), Registered Nurse, or Licensed Social Worker, other than You or a Family Member, independent of Us and not an owner or in control of the operation of an Alternate Care Facility, Long-Term Care Facility, Home Health Care Agency, or Hospice, from whom You are receiving treatment.

Long-Term Care Facility: a facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

1. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
2. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
3. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

Maintenance, Personal, or Custodial Services: any care for which the primary purpose is to provide non-skilled assistance in the performance of Activities of Daily Living or supervision after You have been certified Chronically ILL.

Maximum Calendar Week Benefit: the total maximum amount payable on a Calendar Week basis (Sunday through Saturday) under the Home and Adult Day Care Benefit.

Maximum Daily Benefit: the total maximum amount payable to You in one (1) day under the following:

1. Alternate Care Facility Benefit;
2. Long-Term Care Facility Benefit; and
3. Bed Reservation Benefit.

Maximum Lifetime Benefit: the total amount payable during the lifetime of Your policy for all benefits. Your original Maximum Lifetime Benefit is shown on Your Policy Schedule.

Medicaid: means the reimbursement system under Title XIX of the Federal Social Security Act, as amended.

Medical Help System: a communication system, located in Your Home, used to summon medical attention in case of a medical emergency.

Medicare: means the reimbursement system under Title XVIII of the Federal Social Security Act, as amended.

Plan of Care: a specific, written description of Your needs, including type of care, frequency, duration, and providers of this care which:

1. Is initiated by and approved in writing by a Licensed Health Care Practitioner who is not a Family Member or related to Your Family Member; and
2. May be confirmed in writing at least once every 60 days; and
3. Must be renewed at least every 12 months.

Policy Schedule: the page of Your policy which lists important facts, such as the effective date of Your policy, the policy number, Elimination Period, Maximum Daily Benefit, and the Maximum Lifetime Benefit as of the Effective Date of Coverage. Optional benefit information, if applicable, and premium information is also included on the Policy Schedule.

Pre-existing Condition: a health condition for which You received treatment or medical advice within the six (6) months before the effective date of Your policy, and did not disclose on Your application for insurance.

Qualified Long-Term Care: diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services which:

1. Are required by a Chronically ILL individual; and
2. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses You incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at Your request for beautification, comfort, convenience, or entertainment. Expenses You incur for medical supplies and prescription or nonprescription medication may be eligible when You are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

Respite Care: Qualified Long-Term Care services provided in Your Home or in an Alternate Care Facility, or Long-Term Care Facility, or in or by a Hospice to temporarily relieve the Informal Caregiver who normally provides care for You in Your Home.

Stand-By Assistance: presence of another person within arms reach of You who can provide assistance by physically intervening to prevent injury to You while performing Your Activities of Daily Living.

Substantial Assistance: assistance provided by another person that is either Hands-On or Stand-By in nature.

Substantial Supervision: supervision, including but not limited to cueing by verbal prompting, gesturing, or other demonstration, by another person.

We, Our, Us: The State Farm Mutual Automobile Insurance Company, Bloomington, Illinois 61710-0001.

You, Your, Yourself: The insured named on the Policy Schedule.

Your Home: includes Your place of residence and living arrangements in a private home.

Your Home does not include or mean a Long-Term Care Facility or Alternate Care Facility, a hospital, a home for the retired or aged, a place which provides residential care, or a section of a nursing facility providing only residential care.

Your Personal Representative: a person legally authorized to make health care decisions on an individual's behalf or to act for a deceased individual or the estate.

SECTION 2: BENEFITS OF YOUR POLICY

Limitations or Conditions on Eligibility for Benefits General Benefit Information

This section describes the Benefits and how they are payable under Your policy.

How to Qualify for Benefits: To qualify for benefits under this policy, You must:

1. Be certified Chronically ILL; and
2. Satisfy Your Elimination Period, unless otherwise stated within the policy.

Limitations or Conditions on Eligibility for Benefits: Benefits will only be paid for expenses incurred while this policy is in force and that:

1. Are eligible, covered, Qualified Long-Term Care services under Your policy; and
2. Follow the recommendations identified in Your Plan of Care.

No benefits under Your policy will be paid for any services You receive or expenses You incur unless:

1. You are certified Chronically ILL; and
2. You satisfy Your Elimination Period, unless otherwise stated within the policy.

All benefits paid will apply toward, and will not be paid in excess of, Your Maximum Lifetime Benefit, with the exception of the Waiver of Premium Benefit.

Benefits will not be paid in excess of your Maximum Daily Benefit, unless otherwise stated within the policy.

We will not duplicate any payments made by Medicare for any service or item that may be eligible under this contract, including deductible and coinsurance amounts.

Coverage for Alzheimer's Disease: We provide benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

No Need for Hospitalization: You are not required to be hospitalized before receiving benefits under Your policy.

Home and Community-Based Care Benefits What They Are and How They Work

Home and Adult Day Care Benefit

If You are certified Chronically ILL and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in Your Home or Adult Day Care, We will pay, on a Calendar Week basis, the lesser of:

1. Seven (7) times the Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided in a Calendar Week by:
 - a. A Home Health Care Agency; and/or
 - b. Adult Day Care.

Home and Adult Day Care benefits will not be payable if You are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

Respite Care Benefit

In addition to any benefits payable above, We will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

Medical Help System Benefit

If You are certified Chronically ILL, We will pay the expense You incur each month, not to exceed 25% of Your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of Your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if You are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid do not apply toward Your Elimination Period.

Caregiver Training Benefit

If You require eligible, covered, Qualified Long-Term Care services, We will pay the expenses You incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to Your Maximum Daily Benefit.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward Your Elimination Period.

This benefit is payable to enable You to remain in Your Home or return to Your Home, to be cared for by Your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

Facility Benefits What They Are and How They Work

Alternate Care Facility Benefit

If You are certified Chronically ILL, each day You require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

Long-Term Care Facility Benefit

If You are certified Chronically ILL, each day You require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

Bed Reservation Benefit

If You are certified Chronically ILL and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while You are temporarily absent, We will pay up to 30 days per calendar year to hold Your room. The amount payable will be the lesser of:

1. The Maximum Daily Benefit; or
2. The expenses You incur to reserve Your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

Waiver of Premium Benefit What It Is and How It Works

The premiums for Your policy that become due after You are certified Chronically ILL and receive 90 days of eligible, covered, Qualified Long-Term Care services, will be waived so long as You:

1. Remain Chronically ILL; and
2. Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If You recover or are no longer receiving eligible, covered, Qualified Long-Term Care services, or Your Maximum Lifetime Benefit Amount has been paid, You will need to resume paying Your premium to keep Your policy in force.

Days used to satisfy Your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

Alternate Plan of Care Benefit What It Is and How It Works

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:

1. Requested by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care Benefit agreement is approved, benefits will be provided per this agreement. The Medical Help System Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist You to remain at home. We will pay the lesser of:

1. The Maximum Daily Benefit; or
2. The expense You incur under this agreement.

Home Modification and Durable Medical Equipment Benefit What It Is and How It Works

If You have been certified Chronically ILL and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable You to remain in Your Home if the following requirements are met:

1. The request is made by You or Your Personal Representative; and
2. Developed by or with a Licensed Health Care Practitioner; and
3. Expected to enable You to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
4. Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to Your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for You to return to Your Home or enables You to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in Your body, or items commonly found in a household. Items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to Our approval of Your request. If Your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of Your or Our rights under the policy.

You do not have to satisfy Your Elimination Period for this benefit to apply; however, days that are paid will not apply toward Your Elimination Period.

Simple Automatic Increase Benefit What It Is and How It Works

On the anniversary of Your policy's Effective Date of Coverage, the benefits provided in Your policy will increase in the following manner:

Maximum Daily Benefit

Your current Maximum Daily Benefit is the amount in effect on the most recent anniversary date of Your policy. This amount will increase by a fixed 5% of Your original Maximum Daily Benefit, shown on the Policy Schedule.

Maximum Lifetime Benefit

As benefits are paid, the payable amounts are subtracted from Your Maximum Lifetime Benefit. Your current Maximum Lifetime Benefit is the Maximum Lifetime Benefit remaining, on the most recent anniversary date, minus any benefits paid during this policy year. This remaining amount will increase by the proportionate increase in Your Maximum Daily Benefit from the previous anniversary date to the current anniversary date.

If Your Maximum Lifetime Benefit has been exhausted, no further increase is available.

Annual increases occur regardless of whether benefits are currently being paid.

Restoration of Benefits What It Is and How It Works

If Your Maximum Lifetime Benefit is not exhausted, it will be fully restored to its original maximum as if no claim benefits have been paid, if:

1. You are no longer Chronically ILL; and
2. You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

Contingent Nonforfeiture Benefit

If Your policy lapses within 120 days of the due date of a premium rate increase and You have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to You, then We will provide a Contingent Nonforfeiture Benefit to You.

What Is The Contingent Nonforfeiture Benefit and How Does It Work

The Contingent Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if Your policy lapses as a result of a substantial premium increase as outlined below. The Contingent Nonforfeiture Benefit upon lapse shall be triggered every time We increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding the percentage of Your initial annual premium set forth below:

Issue Age	Substantial Percent Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%

On or before the effective date of a substantial premium increase as outlined above, We will offer:

1. To reduce Your current policy benefits without evidence of insurability so that Your required premium payments are not increased; or
2. To convert Your current coverage to a paid up status with a shortened benefit period.

The contingent nonforfeiture benefit/shortened benefit payable for a Long-Term Care Facility stay or Home and Community-Based Care incurred after the date of lapse will be subject to the following limits:

- a. The Maximum Daily Facility Benefit and Home and Adult Day Care Maximum Daily Benefit will be the amounts in effect on the date of lapse.
- b. The Maximum Amount We will pay for all covered care or services You receive after the date of lapse is the greater of:
 - (1) 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any change in benefits; or
 - (2) 30 times the Nursing Facility Daily Benefit Amount in effect on the date of lapse.

The total benefits payable under the policy and all attached riders, including this contingent benefit, will not exceed the Maximum Lifetime Benefit Amount at the time of lapse.

3. Notify You that a default or lapse at any time during such 120 day period will be deemed to be the election to convert to the paid up status with the shortened benefit period.

SECTION 3: EXCLUSIONS AND LIMITATIONS

When We Will Not Provide Benefits

This section describes situations and conditions in which payment will be limited or denied even if You otherwise qualify for benefits.

Exclusions

We will not pay benefits when:

1. You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
2. Your condition or impairment is the result of war or any act of war, declared or undeclared;
3. Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
4. No charge is normally made in the absence of insurance;
5. Services are provided outside of the United States of America or its territories or possessions;
6. Your condition or impairment is brought about as a result of Your participation in a felony, riot, or insurrection;
7. Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
8. Your condition or impairment is brought about, directly or indirectly, as a result of Your alcoholism or addiction to drugs or narcotics; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

Pre-existing Condition Limitation

We will not pay for a loss due to a Pre-existing Condition which You did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause Your policy to be voided.

If this policy replaces another long-term care insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

SECTION 4: CLAIMS

This section describes how to notify Us of a claim, how and when to file a claim, care management services, when and how Your claim is paid, and other rights and responsibilities under the policy.

Notifying Us of a Claim

You must notify Us in writing of a claim within 30 days after a covered loss begins, or as soon as reasonably possible, through Your agent.

How to File a Claim

We will send You appropriate claim forms within 15 days after We receive notice of Your claim. If We do not, You can meet the requirements of providing Us with a written proof of loss by sending Us a written statement describing the type and nature of Your loss.

When to File a Claim

You should send us written proof of loss within 90 days after the end of the time period in which You were treated.

How We Evaluate a Claim

Information will be obtained from You, Your Licensed Health Care Practitioner, and Care Manager as appropriate, to evaluate Your eligibility for benefits. It may be necessary to request an independent evaluation or physical examination, which would be done at Our expense. Periodically, similar reviews will be needed to determine Your ongoing eligibility for benefits by requesting an update to Your Plan of Care and confirming Your continued Chronically ILL status.

Care Management Services

We can, with Your approval, provide You with access to care management professionals, named at Our discretion, who can work with You, Your Personal Representative, and Your Licensed Health Care Practitioner to create and monitor Your Plan of Care. Assessments of Your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to You and will not count against Your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.

When Your Claim Is Paid

Your claim will be paid immediately after We receive due written proof of loss.

How Your Claim Is Paid

Providing Your policy is in force, We will pay benefits to You, or Your estate, unless You have requested in writing that payment is to be made otherwise.

If benefits are payable to Your estate, We may pay up to \$1,000 to any Family Member of Yours We feel is entitled to the benefits. Any payments made in good faith will discharge Us to the extent of the payment.

Our Right to Obtain Information

At Our expense, We have the right to have a physician or other qualified medical personnel examine You or obtain an assessment of Your Chronically ILL status as often as reasonably necessary while You are receiving benefits.

Appeals of Claim Denials

If You, or a provider acting on Your behalf, have had a claim denied by Us, You have the opportunity to appeal that claim decision by notifying Us in writing with the reasons for Your appeal. We will respond to Your appeal within 60 days.

Misstatement of Your Age

If Your age has been misstated on the application, Your policy benefits will be based on the amount Your premium would have purchased at Your correct age. If We would not have issued a policy, We will refund the premium You paid and consider the policy never to have been issued.

Limitations on Legal Actions

You cannot sue or bring legal action against Us:

1. Before 60 days after We receive written proof of loss; or
2. More than three (3) years after written proof of loss is required.

SECTION 5: PREMIUM PAYMENT AND REINSTATEMENT OF YOUR POLICY

This section discusses issues like premium payment, importance of paying premiums on time, what happens if premiums are not paid, protection available in the event of lapse of Your policy.

Paying Premiums

Premiums are to be paid with United States currency. They are due at the beginning of each policy term. Payment may be made to Us at Our Home Office at One State Farm Plaza, Bloomington, Illinois 61710, or to Your agent. You can change the policy term if You notify Us in writing and it is agreed upon by You and Us.

What Happens When Premiums Are Not Paid

You are allowed a 65 day grace period for late payment of each premium due after the first premium. Your policy will remain in force during this period.

If You do not pay Your premium by the end of the grace period, Your policy will terminate.

Extension of Benefits: If Your policy terminates for nonpayment of premium, during which You are confined in a Long-Term Care Facility or an Alternate Care Facility, We will extend benefits beyond the date of termination for as long as eligible, covered, Qualified Long-Term Care services continue without interruption. Benefits will continue to be provided following the guidelines established in Your Plan of Care, complying with all provisions of Your policy, until You have not received eligible care for at least 180 consecutive days.

Unintentional Lapse Protection

You have the right to designate an individual in addition to Yourself to receive notification when Your policy will terminate because of nonpayment of premium.

We will notify the person You designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of Your policy, You will be given the right to change the designated person.

What Happens to Your Premiums if You Die

When We are notified of Your death, We will make a refund of any unearned premium paid for the period beyond Your death.

Putting the Policy Back in Force

If the renewal premium is not paid before the grace period ends, the policy will lapse. Later acceptance of the premium by Us or by an agent expressly authorized to accept payment without requiring an application for reinstatement, will reinstate this policy.

If We or Our agent require an application, You will be given a conditional receipt for the premium. If the application is approved, the policy will be reinstated as of the approval date. Unless We have previously written You of Our disapproval, the policy will be reinstated on the 45th day after the date of the receipt of such application.

The reinstated policy will cover only losses due to conditions that begin after the date of reinstatement. In all other respects, Your and Our rights remain the same, subject to any provisions noted on or attached to the reinstated policy.

Any premiums We accept for a reinstatement will be applied to a period for which premiums have not been paid. No premium will be applied to any period more than 60 days before the reinstatement date.

Putting the Policy Back in Force After Nonpayment of Premium Due to Cognitive Impairment or Functional Incapacity

Also, within six (6) months following termination of Your policy for nonpayment of premium, You, or Your Personal Representative, may request reinstatement of Your policy on the basis that You suffered from Cognitive Impairment or Functional Incapacity, or You would have otherwise qualified for benefits under the policy, at the time of policy termination.

We will require evidence of clinical diagnosis or tests demonstrating that You suffered from Cognitive Impairment or Functional Incapacity at the time of policy termination. If such demonstration substantiates, to Our satisfaction, the existence of Cognitive Impairment or Functional Incapacity at the time of policy termination, We will reinstate Your policy. The clinical diagnosis and tests needed to affirm this diagnosis will be at Your expense.

If We reinstate Your policy after nonpayment of premium due to Cognitive Impairment or Functional Incapacity:

1. This reinstatement shall not require any evidence of insurability, and
2. The reinstated policy shall cover losses occurring from the date of policy cancellation. There will be no gaps in coverage. Coverage will be at the level provided prior to reinstatement, and
3. The premium shall be paid from the date of the last premium payment at the rate which would have been in effect had the policy remained in force. Payment must be made within 15 days following Our request.

SECTION 6: THE CONTRACT

This section identifies the documents which describe all contractual agreements, the importance of accurate and truthful application completion, and other basic rights, obligations, and features.

What Makes Up the Contract

This policy is a legal, binding contract between You and Us. The contract is made up of:

1. The policy;
2. The application; and
3. Any attached papers.

No one can change any part of this policy or waive any of its provisions unless the change is approved in writing on the policy by one of Our officers.

Importance of Information on the Application/Time Limit on Certain Defenses

We issued this policy based on information You provided. Any incorrect or omitted information known to You at the time of application may cause Your policy to be voided or a claim to be denied.

If Your policy has been in force, or increase in coverage effective, for less than six (6) months, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is material to the acceptance of coverage.

If Your policy has been in force for at least six (6) months but less than two (2) years, We may rescind it or deny any otherwise valid claim upon a showing of misrepresentation that is both material to the acceptance of coverage and which pertains to the conditions for which benefits are sought.

After Your policy has been in force for two (2) years, only fraudulent misstatements in the application can be used to void the policy or deny a claim for loss incurred after the two (2) year period.

If We have paid benefits under this policy, such benefit payments may not be recovered by Us in the event that Your policy is rescinded.

Your Right to Reduce Coverage and Lower Premiums

You have the right to reduce coverage and lower the policy premium at any time. The following options may be available depending on Your current policy benefits:

1. Decrease the daily benefit; or
2. Increase the Elimination Period; or
3. Decrease the maximum benefit factor; or
4. Removal of the optionally purchased Nonforfeiture Benefit/Shortened Benefit Rider, if purchased.

Contact Your agent to determine which of these options best suits Your financial needs. The age to determine the premium for the reduced coverage will be based on Your age when this policy was issued.

Your Right to Request Cancellation

You have the right to cancel this policy at any time by written notice delivered or mailed to Us. Such cancellation will be effective upon receipt or on such later date as You state in such notice. We may waive these requirements by confirming the date and time of cancellation to You in writing. In this event, We will return promptly the pro rata unearned portion of any premium paid. Cancellation shall not prejudice any claim for expenses incurred prior to the effective date of cancellation.

Conformity With Statutes

Any provisions of this policy which, on the Effective Date of Coverage, are in conflict with the statutes of the State of Issue on that Date are amended to conform to such statutes. The State of Issue is shown on the Policy Schedule.


The Internal Revenue Code, as administered by the Department of the U.S. Treasury, may affect the status of this policy as tax qualified. Changes in the Internal Revenue Code, regulations, and Revenue Rulings may establish different requirements.

We intend to administer this policy so it maintains qualification as a tax qualified plan.

SECTION 7: MUTUAL CONDITIONS

1. **Membership.** While this policy is in force, you are entitled to vote at all meetings of members and to receive dividends the Board of Directors in its discretion may declare in accordance with reasonable classifications and groupings of policyholders established by such Board.
2. **No Contingent Liability.** This policy is non-assessable.
3. **Annual Meeting.** The annual meeting of the members of the company shall be held at its home office at Bloomington, Illinois, on the second Monday of June at the hour of 10:00 A.M., unless the Board of Directors shall elect to change the time and place of such meeting, in which case, but not otherwise, due notice shall be mailed each member at the address disclosed in this policy at least 10 days prior thereto.

In Witness Whereof, The State Farm Mutual Automobile Insurance Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.



Secretary



President

NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER

In consideration of the additional premium shown on the Policy Schedule, it is agreed that the following benefit is added to Your policy.

What It Is and How It Works

If You do not pay the premium that becomes due after the policy has been in force at least 3 years and the policy is not put back in force as described in Section 5, it will stay in force and the Nonforfeiture Benefit will apply.

The Nonforfeiture Date is the date that coverage under the policy would otherwise end in the absence of the Nonforfeiture Benefit. It cannot be less than 3 years after the Effective Date of Coverage.

The Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if You stop paying premiums. The benefits payable for a Long-Term Care Facility stay or Home and Community-Based Care, which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:


1. The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
2. The maximum amount We will pay for all covered care or services You receive after the Nonforfeiture Date is the greater of:
 - a. 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any changes in benefits; or
 - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy for a period of care, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse.

Benefits will be payable in accordance with all other terms and conditions of the policy.

Issued by the STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, of Bloomington, Illinois.


Secretary


President



State Farm Mutual Automobile
Insurance Company
Home Office, Bloomington, IL 61710

Doc
Type: **01**

Long-Term Care Insurance Application

NEW	REINSTATEMENT APP	BENEFIT CHANGE (EXPLAIN)	POLICY NUMBER
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SECTION ONE Proposed Insured (One Applicant Per Application)

LAST NAME		FIRST NAME		MIDDLE INITIAL			
RESIDENCE ADDRESS		RESIDENCE ADDRESS					
CITY		STATE	ZIP CODE	COUNTY			
SOCIAL SECURITY NUMBER	SEX	BIRTH DATE MONTH-DAY-YEAR	AGE	MARITAL STATUS	HEIGHT	WEIGHT	U.S. CITIZEN? YES <input type="checkbox"/> NO <input type="checkbox"/>
OCCUPATION - GIVE SPECIFIC DUTIES							ARE YOU ACTIVELY WORKING? YES <input type="checkbox"/> NO <input type="checkbox"/>

SECTION TWO Benefits Applied for

MAXIMUM DAILY BENEFIT AMOUNT (\$25 increments) \$ _____	ELIMINATION PERIOD <input type="checkbox"/> 30 DAYS <input type="checkbox"/> 90 DAYS <input type="checkbox"/> 180 DAYS	MAXIMUM BENEFIT FACTOR <input type="checkbox"/> 2 YEARS <input type="checkbox"/> 3 YEARS <input type="checkbox"/> 5 YEARS <input type="checkbox"/> 10 YEARS <input type="checkbox"/> LIFETIME	OPTIONAL BENEFITS <input type="checkbox"/> Simple Automatic Increase Benefit <input type="checkbox"/> Nonforfeiture Benefit/ Shortened Benefit Period Rider	MODE (Check One)	SFPP	A	SA	Q	PREMIUM
				SFPP NUMBER					AMOUNT SUBMITTED

Rejection of Inflation Protection

I have reviewed the outline of coverage and the graphs that compare the benefits and premiums of this policy with and without inflation protection.

Specifically, I have reviewed the coverage applied for, and I reject inflation protection.

Sign here if inflation protection rejected X _____

Spousal Information

If your spouse has or is applying for a State Farm® Long-Term Care policy, give name and/or policy number.

SECTION THREE If any question in Section Three is answered "YES", you are not eligible for coverage.

	YES	NO
1. Due to any present or past mental or physical disability, is any person or institution currently authorized to act on your behalf?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are you confined to bed or home?	<input type="checkbox"/>	<input type="checkbox"/>
3. For any "yes" answers to the questions below, check all that apply:		
a. Do you use a: <input type="checkbox"/> walker <input type="checkbox"/> wheelchair <input type="checkbox"/> motorized cart <input type="checkbox"/> quad (4-prong) cane	<input type="checkbox"/>	<input type="checkbox"/>
b. Do you use any medical appliance such as: <input type="checkbox"/> catheter <input type="checkbox"/> oxygen equipment <input type="checkbox"/> dialysis machine	<input type="checkbox"/>	<input type="checkbox"/>
c. Do you require help or supervision, or are you limited in any way in performing the following daily activities:	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> bathing <input type="checkbox"/> mobility <input type="checkbox"/> managing medications		
<input type="checkbox"/> dressing <input type="checkbox"/> toileting <input type="checkbox"/> eating		
d. Have you ever been diagnosed as having or have you received medical advice or treatment for:	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Alzheimer's disease <input type="checkbox"/> multiple sclerosis <input type="checkbox"/> ALS (Lou Gehrig's disease)		
<input type="checkbox"/> dementia <input type="checkbox"/> muscular dystrophy <input type="checkbox"/> Huntington's disease		
<input type="checkbox"/> recurrent memory loss <input type="checkbox"/> Parkinson's disease		
e. Within the last 5 years, have you been diagnosed as having or have you received medical advice or treatment for:	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> diabetes treated with insulin <input type="checkbox"/> chronic liver disease <input type="checkbox"/> cancer that has spread from the original site		
<input type="checkbox"/> chronic kidney disease <input type="checkbox"/> drug abuse		
4. Within the last 3 years, have you been diagnosed as having or have you received medical advice or treatment for alcoholism?	<input type="checkbox"/>	<input type="checkbox"/>
5. Have you ever tested positive for exposure to HIV infection or have you ever been diagnosed or treated for acquired immune deficiency syndrome (AIDS)?	<input type="checkbox"/>	<input type="checkbox"/>

SECTION FOUR Explain any "YES" answers below.

	YES	NO
6. Are you receiving any type of disability benefits?	<input type="checkbox"/>	<input type="checkbox"/>
7. Have you received Medicare benefits prior to age 65?	<input type="checkbox"/>	<input type="checkbox"/>
8. Within the last 3 years have you used tobacco or any other nicotine products in any form?	<input type="checkbox"/>	<input type="checkbox"/>
9. Within the past 12 months have you been hospitalized; or have you had, been scheduled for, or discussed with a medical practitioner the possible need for surgery?	<input type="checkbox"/>	<input type="checkbox"/>

Explanations

SECTION FIVE

List the name and address of your primary physician. Indicate date and reason(s) last seen.

PHYSICIAN NAME	
ADDRESS	
DATE LAST SEEN	REASON(S) SEEN

SECTION SIX Complete for ages 44 and under

List name and address of any doctor(s), other than listed above, seen in the last 12 months. Indicate date, reason seen, and findings.

PHYSICIAN NAME	
ADDRESS	
DATE LAST SEEN	REASON SEEN - FINDINGS

PHYSICIAN NAME	
ADDRESS	
DATE LAST SEEN	REASON SEEN - FINDINGS

SECTION SEVEN Other Insurance

10. Do you now have in force or are you applying for any other long-term care, nursing home, or home health care policy, rider, or certificate (including a health care service contract or a health maintenance organization contract)?
11. Other than above, did you have a long-term care insurance policy, rider, or certificate in force during the last 12 months?
12. Are you covered by Medicaid?
13. If the answer to question 10 is "YES" do you intend to replace that policy, rider, or certificate with this policy?

YES NO

☐ ☐☐ ☐☐ ☐☐ ☐

Agent: If yes, and the other coverage is in force, complete the Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance.

List details below for any "YES" answers in questions 10, 11 and 12:

NAME AND ADDRESS OF COMPANY	LAPSED	WHEN? (MO-DAY-YEAR)	APPLIED FOR	IN FORCE	POLICY NUMBER, TYPE AND AMOUNT OF BENEFITS
	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

NAME AND ADDRESS OF COMPANY	LAPSED	WHEN? (MO-DAY-YEAR)	APPLIED FOR	IN FORCE	POLICY NUMBER, TYPE AND AMOUNT OF BENEFITS
	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

14. **Agent:** List any other health insurance policies you have sold to the applicant as follows:

a. List policies sold that are still in force. (If none, indicate none.)

b. List policies sold in the past five (5) years that are no longer in force. (If none, indicate none.)

SECTION EIGHT Protection Against Unintended Lapse

YOU HAVE THE RIGHT TO DESIGNATE A THIRD PARTY TO RECEIVE NOTICE OF OUR INTENT TO TERMINATE YOUR POLICY FOR NONPAYMENT OF PREMIUM.

I understand that I have the right to designate one person other than myself to receive notice of lapse or termination of this long-term care insurance policy for nonpayment of premium. I understand that notice will not be given until thirty (30) days after a premium is due and unpaid.

☐ I elect **NOT** to designate any person to receive such notice.

☐ I designate the following person to receive notice prior to cancellation of my policy for nonpayment of premium:

FULL NAME			
ADDRESS			
CITY	STATE	ZIP	TELEPHONE NUMBER

SECTION NINE Signature Section

I represent that my answers and statements in this application are true and complete and agree that (a) no agent has authority to waive the answers to any question in the application, to pass on insurability, to waive any of the Company's rights or requirements or to make or alter any contract; and (b) no insurance will be effective unless a policy has been issued as applied for and delivered.

CAUTION: If your answers in this application are incorrect or untrue, State Farm has the right to deny benefits or rescind your policy.

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

I certify that I have been provided with an Outline of Coverage, a Shopper's Guide to Long-Term Care Insurance, the Notice to Applicant Regarding Things You Should Know Before You Buy Long-Term Care Insurance, the Long-Term Care Insurance Potential Rate Increase Disclosure form, and if age 65 or older, the Guide to Health Insurance for People with Medicare.

THE CONDITIONAL RECEIPT HAS BEEN EXPLAINED TO ME. I UNDERSTAND THAT I WILL NOT RECEIVE ANY INSURANCE COVERAGE FOR MY MONEY UNLESS A POLICY IS ISSUED AS APPLIED FOR AND DELIVERED.

All questions on the application have been asked and the information supplied has been truly and accurately recorded. The Conditional Receipt has been explained and given to the Proposed Insured.	Dated on _____ MONTH DAY YEAR
	at _____ CITY STATE
	X _____ Signature of Proposed Insured
	Future Effective Date (if applicable) _____ MONTH DAY YEAR
X _____ Signature of Agent	
Mailing Address if different from Residence Address	



State Farm Mutual Automobile Insurance Company
Home Office, Bloomington, IL 61710
(309) 766-2311

Retain this for your records.

Outline of Coverage

Long-Term Care Insurance Policies

Form 97060 Series

Notice to Buyer: This policy may not cover all of the costs associated with Long-Term Care incurred by you during the period of coverage. You are advised to review carefully all policy limitations.

Caution: The issuance of this Long-Term Care Insurance policy is based upon your responses to the questions on your application. A copy of your application will be attached to your policy. If your answers are incorrect or untrue, the company may have the right to deny benefits or rescind your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact the company at this address: State Farm Mutual Automobile Insurance Company, One State Farm Plaza, Bloomington, Illinois 61710-0001.

1. This policy is an individual policy of insurance which was issued in the State of Arkansas.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the policy. You should compare this outline of coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the individual policy contains governing contractual provisions. This means that the policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** This policy is intended to be a federally tax-qualified Long-Term Care Insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED.**
 - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of your policy, to continue this policy as long as you pay your premiums on time. State Farm Mutual Automobile Insurance Company cannot change any of the terms of your policy on its own, except that, in the future, **IT MAY INCREASE THE PREMIUM YOU PAY.**

(b) WAIVER OF PREMIUM BENEFIT. We will waive premiums that become due after you are certified Chronically Ill and receive 90 days of eligible, covered, Qualified Long-Term Care services, so long as you:

- (1) Remain Chronically Ill; and
- (2) Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If you recover or are no longer receiving eligible, covered, Qualified Long-Term Care services or your Maximum Lifetime Benefit amount has been paid, you will need to resume paying your premium to keep your policy in force.

Days used to satisfy your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS. Any change will apply to all policies in the same class as yours in the state where the policy was issued. We will notify you in writing 45 days before your premium changes.

6. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED. It is important that you understand your policy and are satisfied with it. Please read it carefully. If you are not satisfied with it for any reason, return it to us at our Home Office at One State Farm Plaza, Bloomington, Illinois 61710-0001 or our agent through whom it was purchased within 30 days after you receive it. We will then refund any premium you have paid and the policy will be considered to never have been issued.

The policy contains a provision providing for refund of unearned premium upon notice of your death, or if you exercise your right to request cancellation.

7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the insurance company.

Neither the State Farm Mutual Automobile Insurance Company nor its agents represent Medicare, the federal government or any state government.

8. LONG-TERM CARE COVERAGE. Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community, or in the home.

This policy provides coverage in the form of reimbursement of expenses for eligible, covered, Qualified Long-Term Care services, subject to policy limitations, waiting periods, and coinsurance requirements.

9. BENEFITS PROVIDED BY THIS POLICY

(a) BENEFIT LIMITS

Maximum Daily Benefit: \$ _____

Maximum Weekly Adult Day Care Benefit: \$ _____

Maximum Lifetime Benefit: \$ _____

The Maximum Lifetime Benefit is the total amount payable in the lifetime of your policy for all benefits. Your original Maximum Lifetime Benefit is shown on your Policy Schedule.

Elimination Period: _____ Days

The Elimination Period is the number of days for which we will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of your Elimination Period are shown on your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

(b) INSTITUTIONAL BENEFITS

(1) Alternate Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

(2) Long-Term Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

(3) Bed Reservation Benefit

If you are certified Chronically Ill and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while you are temporarily absent, we will pay up to 30 days per calendar year to hold your room. The amount payable will be the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur to reserve your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

(c) NONINSTITUTIONAL BENEFITS

(1) Home and Adult Day Care Benefit

If you are certified Chronically Ill and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in your Home or Adult Day Care, we will pay, on a calendar week basis, the lesser of:

- a. Seven (7) times the Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided in a calendar week by:
 1. A Home Health Care Agency; and/or
 2. Adult Day Care.

Home and Adult Day Care benefits will not be payable if you are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

(2) Home Modification and Durable Medical Equipment Benefit

If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that you need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable you to remain in Your Home if the following requirements are met:

- a. The request is made by you or Your Personal Representative; and
- b. Developed by or with a Licensed Health Care Practitioner; and

- c. Expected to enable you to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
- d. Approved, in writing, by you or Your Personal Representative, the Licensed Health Care Practitioner, and us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for you to return to Your Home or enables you to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in your body, or items commonly found in a household, items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to our approval of your request. If your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of your or our rights under the policy.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid will not apply toward your Elimination Period.

(3) Respite Care Benefit

In addition to any benefits payable above, we will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

(4) Medical Help System Benefit

If you are certified Chronically Ill, we will pay the expense you incur each month, not to exceed 25% of your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if you are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid do not apply toward your Elimination Period.

(5) Caregiver Training Benefit

If you require eligible, covered, Qualified Long-Term Care services, we will pay the expenses you incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to your Maximum Daily Benefit.

You do not have to satisfy your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward your Elimination Period.

This benefit is payable to enable you to remain in Your Home or return to Your Home, to be cared for by your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

(d) ELIGIBILITY FOR PAYMENT OF BENEFITS

(1) Activities of Daily Living: The Activities of Daily Living are:

- a. Bathing. Washing yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- b. Continence. The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- c. Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- d. Eating. Feeding yourself by getting food into your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
- e. Toileting. Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
- f. Transferring. Moving into or out of a bed, chair, or wheelchair.

(2) Alternate Care Facility: A facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

- a. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where you receive care, when a license is offered or available; and
- b. Provides 24-hour per day care services sufficient to support the needs of a Chronically Ill individual; and
- c. Has at least one (1) trained staff member on duty at all times; and
- d. Provides three (3) meals per day, accommodating special dietary needs; and
- e. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
- f. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

(3) Chronically Ill: Certification by a Licensed Health Care Practitioner that you:

- a. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
- b. Require Substantial Supervision to protect your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically Ill for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

(4) Cognitive Impairment: Certification by a Licensed Health Care Practitioner that you have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

- a. Short and long term memory; and
- b. Orientation as to person (who you are), place (your location), and time (day, date, and year); and
- c. Deductive or abstract reasoning.

(5) Long-Term Care Facility: A facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

- a. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
- b. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
- c. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

(6) Qualified Long-Term Care: Diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services, which:

- a. Are required by a Chronically Ill individual; and
- b. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses you incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at your request for beautification, comfort, convenience, or entertainment. Expenses you incur for medical supplies and prescription or nonprescription medication may be eligible when you are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

(e) RESTORATION OF BENEFITS

Your Maximum Lifetime Benefit, if not already exhausted, will be fully restored to its original maximum as if no claim benefits have been paid, if:

- (1) You are no longer Chronically Ill; and
- (2) You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

(f) INFLATION PROTECTION BENEFITS

The Simple Automatic Increase Benefit: If this benefit is selected, it means that on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit by a fixed amount of 5% of the amount shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

Future Purchase Option Benefit: If you do not purchase a policy with the Simple Automatic Increase Benefit, you still have the opportunity to increase your Maximum Daily Benefit shown on the Policy Schedule on your 45th, 50th, 55th, 60th, and 65th birthdays. This increase will be effective on the anniversary date of your policy. The application for the increase must be submitted within 60 days of notice. This increase is not available if:

- (1) You are Chronically Ill; or
- (2) You have required or received eligible, covered, Qualified Long-Term Care services within the past 180 consecutive days; or
- (3) You have a Simple Automatic Increase Benefit Rider in force.

(g) OPTIONAL BENEFITS

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR

Selected _____

Not Selected _____

The Nonforfeiture Benefit provides for continuation of coverage during your lifetime if you stop paying premiums. The benefits payable for a Long-Term Care Facility stay or home and community-based care which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

- (1) The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
- (2) The maximum amount we will pay for all covered care or services you receive after the Nonforfeiture Date is the greater of:
 - a. 100% of the sum of all premiums paid for the policy, including the premiums paid prior to any changes in benefits; or
 - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse. Benefits will be payable in accordance with all other terms and conditions of the policy.

10. LIMITATIONS AND EXCLUSIONS

- (a) Pre-existing Condition Limitation. Pre-existing condition means a health condition for which you received treatment or medical advice within the six (6) months before the effective date of your policy, and did not disclose on your application for insurance.

We will not pay for a loss due to a Pre-existing Condition which you did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause your policy to be voided.

If this policy replaces another Long-Term Care Insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

- (b) Noneligible Facilities/Providers. Long-Term Care Facility does not mean Your Home, a hospital, clinic, boarding home or a place that operates primarily for the treatment of alcoholism or drug addiction. However, care or services provided in these facilities may be covered subject to the conditions of the Alternate Plan of Care benefit provision.

- (c) Exclusions/Exceptions. We will not pay benefits when:

- (1) You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
- (2) Your condition or impairment is the result of war or any act of war, declared or undeclared;
- (3) Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
- (4) No charge is normally made in the absence of insurance;

- (5) Services are provided outside of the United States of America or its territories or possessions;
- (6) Your condition or impairment is brought about as a result of your participation in a felony, riot, or insurrection;
- (7) Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
- (8) Your condition or impairment is brought about, directly or indirectly, as a result of your alcoholism or addiction to drugs; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.

- 11. RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of Long-Term Care Services will likely increase over time, you should consider whether and how the benefits of this policy may be adjusted. Except as described below, your benefit levels will not increase over time.

Your policy contains a Future Purchase Option Benefit. If you do not purchase the policy with the Simple Automatic Increase Benefit, you still have the opportunity to increase your Maximum Daily Benefit shown on the Policy Schedule on your 45th, 50th, 55th, 60th, and 65th birthdays. This increase will be effective on the anniversary date of your policy. The application for the increase must be submitted within 60 days of notice.

See the accompanying charts on page 14 which illustrate Maximum Daily Benefits when the Future Purchase Option is exercised.

You may request an increase to your daily benefit amounts at any time. The increase request would be subject to maximum issue and participation limits, health underwriting and payment of an additional premium based on the additional amount purchased and your attained age.

Your benefits may increase over time through the purchase of a policy with the Simple Automatic Increase Benefit.

If you select the policy with the Simple Automatic Increase Benefit, on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefits by a fixed amount of 5% of the amounts shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

See the accompanying charts on page 15 which illustrate Maximum Daily Benefits with and without an automatic increase benefit. Note that the premium for the automatic increase benefit covers the cost of future scheduled increases. Benefits automatically increase each year; premiums do **not** change because of the automatic benefit increase. **However, we do have the right to change premium in the future as described in 4 and 5 above.**

12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS. Your policy provides benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

13. PREMIUM

The total premium for this policy is \$ _____.

The portion of the premium for the Nonforfeiture Benefit/Shortened Benefit Rider, if selected, is \$ _____.

14. ADDITIONAL FEATURES

(a) Medical underwriting is used for this policy.

Your eligibility for coverage is based on the answers to the medical questions in the application.

(b) Unintentional Lapse Protection. You have the right to designate an individual in addition to yourself to receive notification when your policy will terminate because of nonpayment of premium.

We will notify the person you designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of your policy, you will be given the right to change the designated person.

Also, if the policy should terminate for nonpayment of premium because you suffered Cognitive Impairment or Functional Incapacity, or you would have otherwise qualified for benefits under the policy at the time of policy termination, we will reinstate the policy without requiring evidence of your insurability if you or your authorized representative request it within six (6) months following the termination of your policy for nonpayment of premium.

(c) Contingent Benefit Upon Lapse. If your policy lapses within 120 days of the due date of a premium rate increase and you have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to you, then we will provide a contingent benefit to you.

The contingent benefit provides for continuation of coverage during your lifetime if your policy lapses as a result of a substantial premium increase as outlined in the policy. The contingent benefit upon lapse shall be triggered every time we increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding a percentage of your initial annual premium. (See policy language for specific information.)

- (d) Care Management. During your claim, we can, with your approval, provide you with access to care management professionals, named at our discretion, who can work with you, Your Personal Representative, and your Licensed Health Care Practitioner to create and monitor your Plan of Care. Assessments of your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to you and will not count against your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.
- (e) Alternate Plan of Care Benefit. If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:
 - (1) Requested by You or Your Personal Representative; and
 - (2) Developed by or with a Licensed Health Care Practitioner; and
 - (3) Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

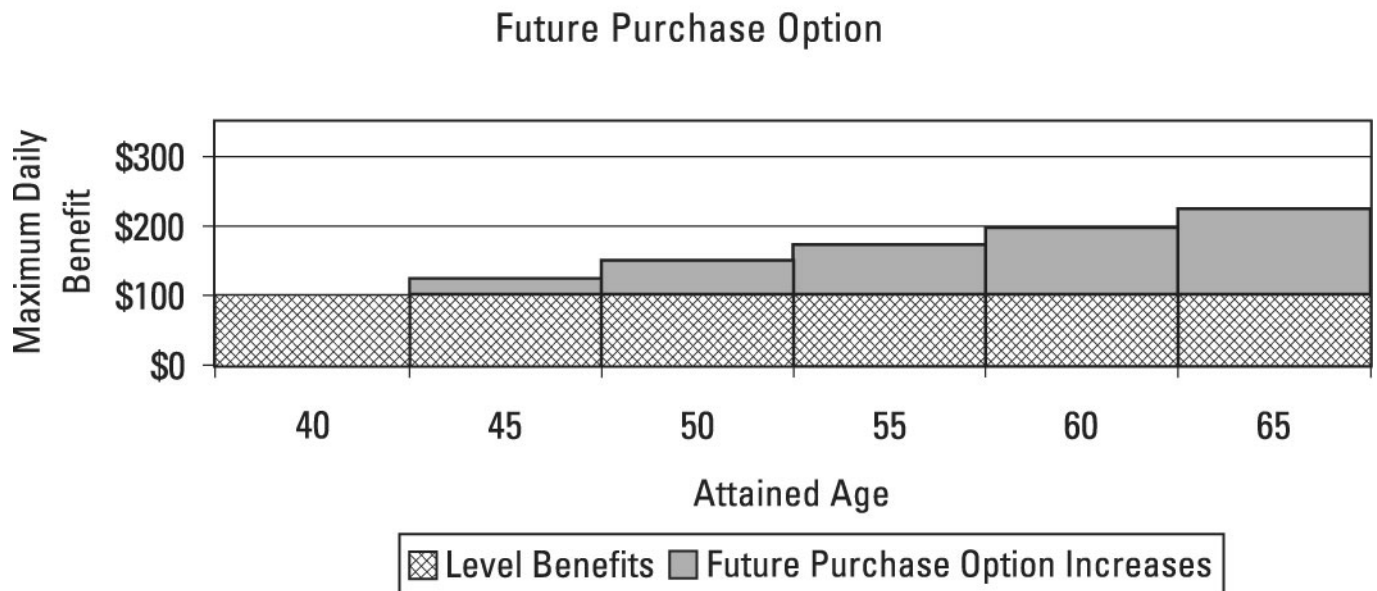
Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care agreement is approved, benefits will only be provided per this agreement. The Medical Help Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist you to remain at home. We will pay the lesser of:

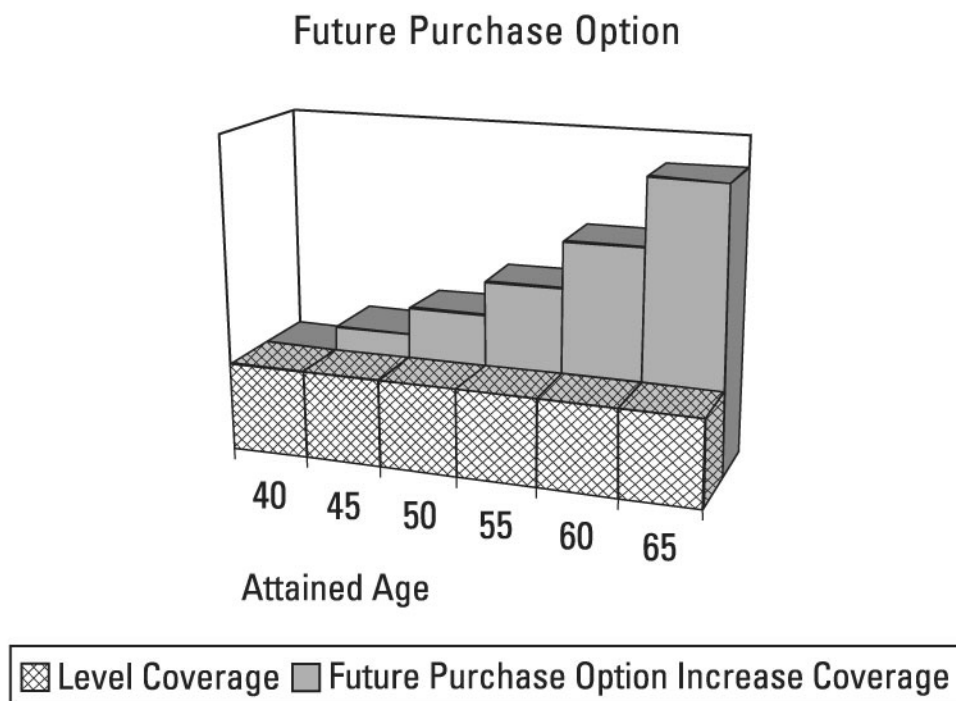
- (1) The Maximum Daily Benefit; or
- (2) The expense You incur under this agreement.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM TOLL-FREE AT 1-800-371-2782 IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY.

Growth of Payment Maximums Over Time



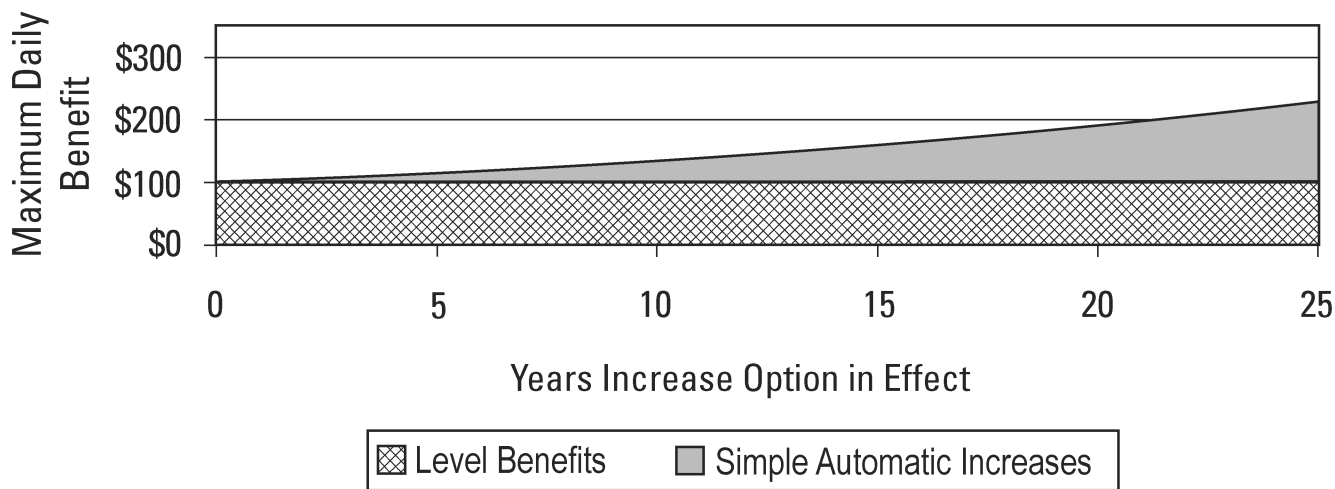
Relative Premium Costs



Level Coverage assumes Future Purchase Option is never elected. Future Purchase Option Increase Coverage assumes Future Purchase Option is exercised at each possible election date.

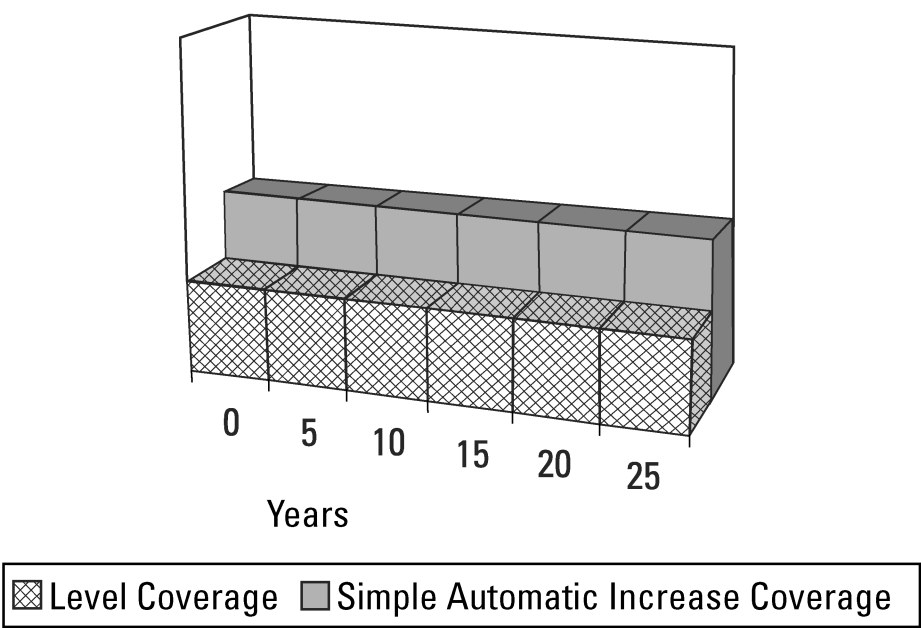
Growth of Payment Maximums Over Time

Simple Automatic Increase Benefit



Relative Premium Costs

Simple Automatic Increase Benefit





State Farm Mutual Automobile
Insurance Company
Home Office, Bloomington, IL 61710

BAR CODE ONLY

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Type: 25

Long-Term Care Insurance Personal Worksheet

People buy long-term care insurance for many reasons. Some don't want to use their own assets to pay for long-term care. Some buy insurance to make sure they can choose the type of care they get. Others don't want their family to have to pay for care or don't want to go on Medicaid. But long-term care insurance may be expensive, and may not be right for everyone.

By state law, the insurance company must fill out part of the information on this worksheet and ask you to fill out the rest to help you and the company decide if you should buy this policy.

Premium Information

Policy Form Numbers 97060 series

The premium for the coverage you are considering will be \$ _____ per year.

Type of Policy - Guaranteed Renewable

The Company's Right to Increase Premiums

The company has a right to increase premiums on this policy form in the future, provided it raises rates for all policies in the same class in this state.

Rate Increase History

The company has sold long-term care insurance since 1997 and has sold this policy since 2008. The company has never raised its rates for any long-term care policy it has sold in this state or any other state.

Questions Related to Your Income

How will you pay each year's premium? (check one)

☐ From my Income ☐ From my Savings/Investments ☐ My Family will Pay

Have you considered whether you could afford to keep this policy if the premiums went up, for example, by 20%?

What is your annual income? (check one)

☐ Under \$10,000 ☐ \$10-20,000 ☐ \$20-30,000 ☐ \$30-50,000 ☐ Over \$50,000

Please complete other side.

How do you expect your income to change over the next 10 years? (check one)

☐ No change ☐ Increase ☐ Decrease

If you will be paying premiums with money received only from your own income, a rule of thumb is that you may not be able to afford this policy if the premiums will be more than 7% of your income.

Will you buy inflation protection? (check one) ☐ Yes ☐ No

If not, have you considered how you will pay for the difference between future costs and your daily benefit amount?

☐ From my Income ☐ From my Savings/Investments ☐ My Family will Pay

The National average annual cost of care in 2001 was \$56,000, but this figure varies across the country. In ten years the national average annual cost would be about \$91,200 if costs increase 5% annually.

What elimination period are you considering? Number of days _____ Approximate cost

\$_____ for that period of care.

How are you planning to pay for your care during the elimination period? (check one)

☐ From my Income ☐ From my Savings/Investments ☐ My Family will Pay

Questions Related to Your Savings and Investments

Not counting your home, about how much are all of your assets (your savings and investments) worth? (check one)

☐ Under \$20,000 ☐ \$20-30,000 ☐ \$30-50,000 ☐ Over \$50,000

How do you expect your assets to change over the next ten years? (check one)

☐ Stay about the same ☐ Increase ☐ Decrease

If you are buying this policy to protect your assets and your assets are less than \$30,000, you may wish to consider other options for financing your long-term care.

Please complete next page.

Disclosure Statement

☐ The answers to the questions above describe my financial situation.

OR
(Check one)

☐ I choose not to complete this information.

☐ I acknowledge that the carrier and/or its agent (below) has reviewed this form with me including the premium, premium rate increase history and potential for premium increases in the future. I understand the above disclosures. **I understand that the rates for this policy may increase in the future. (This box must be checked.)**

X _____
Signature of Applicant

Date

☐ I explained to the applicant the importance of completing this information.

X _____
Signature of Agent

Date

Agent's Printed Name

My agent has advised me that this policy does not appear to be suitable for me. However, I still want the company to consider my application.

X _____
Signature of Applicant

Date

The company may contact you to verify your answers.



**HEALTH
INSURANCE**

State Farm Mutual Automobile Insurance Company
One State Farm Plaza
Bloomington, Illinois 61710-0001
309-766-2311

Long-Term Care Insurance Potential Rate Increase Disclosure

1. **Premium Rate:** The Premium Rate that is applicable to you and that will be in effect until a request is made and approved for an increase is on the application.
2. **The premium for this policy will be shown on the schedule page of your policy.**
3. **Rate Schedule Adjustments:** If your rates are changed, the new rates will become effective on the next renewal date. The new rates remain in effect until another request is made and filed with the department of insurance. You have the right to receive a revised premium rate schedule if the premium rate is changed.

4. **Potential Rate Revisions:**

This policy is Guaranteed Renewable. This means that the rates for this product may be increased in the future.

Your rates can NOT be increased due to your increasing age or declining health, but your rates may go up based on the experience of all policyholders with a policy similar to yours.

If you receive a premium rate increase in the future, you will be notified of the new premium amount and you will be able to exercise at least one of the following options:

- (a) Pay the increased premium and continue your policy in force as is.
- (b) Reduce your policy benefits to a level such that your premiums will not increase. (Subject to state law minimum standards.)
- (c) Exercise your nonforfeiture option if purchased. (This option is available for purchase for an additional premium.)
- (d) Exercise your contingent nonforfeiture rights. *** (This option may be available if you do not purchase a separate nonforfeiture option.)

***** Contingent Nonforfeiture**

If the premium rate for your policy goes up in the future and you didn't buy a nonforfeiture option, you may be eligible for contingent nonforfeiture. Here's how to tell if you are eligible:

- (a) You will keep some long-term care insurance coverage, if:
 - (1) Your premium after the increase exceeds your original premium by the percentage shown (or more) in the following table; and
 - (2) You lapse (not pay more premiums) within 120 days of the increase.
- (b) The amount of coverage (i.e. new lifetime maximum benefit amount) you will keep will equal the total amount of premiums you've paid since your policy was first issued. If you have already received benefits under the policy, so that the remaining maximum benefit amount is less than the total amount of premiums you've paid, the amount of coverage will be that remaining amount.
- (c) Except for this reduced lifetime maximum benefit amount, all other policy benefits will remain at the levels attained at the time of the lapse and will not increase thereafter.

Should you choose this Contingent Nonforfeiture option, your policy, with its reduced maximum benefit amount, will be considered "paid up" with no further premium due.

Example:

- You bought the policy at age 65 and paid the \$1,000 annual premium for 10 years, so you have paid a total of \$10,000 in premium.
- In the eleventh year, you receive a rate increase of 50%, or \$500 for a new annual premium of \$1,500 and you decide to lapse the policy (not pay any more premiums).
- Your "paid-up" policy benefits are \$10,000 (provided you have at least \$10,000 of benefits remaining under your policy).

Contingent Nonforfeiture Cumulative Premium Increase over Initial Premium That Qualifies for Contingent Nonforfeiture

(Percentage increase is cumulative from date of original issue. It does NOT represent a one-time increase.)

Issue Age	Percent Increase Over Initial Premium
30-34	190%
35-39	170%
40-44	150%
45-49	130%
50-54	110%
55-59	90%
60	70%
61	66%
62	62%
63	58%
64	54%
65	50%
66	48%
67	46%
68	44%
69	42%
70	40%
71	38%
72	36%
73	34%
74	32%
75	30%
76	28%
77	26%
78	24%
79	22%



**HEALTH
INSURANCE**

State Farm Mutual Automobile
Insurance Company
Home Office, Bloomington, IL 61710

BAR CODE ONLY

Doc
Type: **36**

Save this Notice! It may be important to you in the future.

Notice to Applicant Regarding Replacement of Individual Accident and Sickness or Long-Term Care Insurance

According to your application, you intend to lapse or otherwise terminate existing accident and sickness or long-term care insurance and replace it with an individual long-term care insurance policy to be issued by State Farm Mutual Automobile Insurance Company. Your new policy provides thirty (30) days within which you may decide, without cost, whether you desire to keep the policy. For your own information and protection, you should be aware of and seriously consider certain factors which may affect the insurance protection available to you under the new policy.

You should review this new coverage carefully, comparing it with all accident and sickness or long-term care insurance coverage you now have, and terminate your present policy only if, after due consideration, you find that purchase of this long-term care coverage is a wise decision.

Statement to Applicant by Agent:

I have reviewed your current medical or health insurance coverage. I believe the replacement of insurance involved in this transaction materially improves your position. My conclusion has taken into account the following considerations, which I call to your attention:

1. Health conditions that you may presently have (preexisting condition), may not be immediately or fully covered under the new policy. This could result in denial or delay in payment of benefits under the new policy, whereas a similar claim might have been payable under your present policy.
2. State law provides that your replacement policy or certificate may not contain new preexisting conditions or probationary periods. The insurer will waive any time periods applicable to preexisting conditions or probationary periods in the new policy (or coverage) for similar benefits to the extent such time was spent (depleted) under the original policy.
3. If you are replacing existing long-term care insurance coverage, you may wish to secure the advice of your present insurer or its agent regarding the proposed replacement of your present policy. This is not only your right, but it is also in your best interest to make sure you understand all the relevant factors involved in replacing your present coverage.
4. If, after due consideration, you still wish to terminate your present policy and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy had never been in force. After the application has been completed and before you sign it, read it carefully to be certain that all information has been properly recorded.

(Signature of Agent)

(Printed Name of Agent)

The above "Notice to Applicant" was delivered to me on:

(Applicant's Signature)

(Date)

<i>SERFF Tracking Number:</i>	<i>STFH-125832827</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>State Farm Mutual Automobile Insurance</i>	<i>State Tracking Number:</i>	<i>40360</i>
	<i>Company</i>		
<i>Company Tracking Number:</i>			
<i>TOI:</i>	<i>LTC03I Individual Long Term Care</i>	<i>Sub-TOI:</i>	<i>LTC03I.001 Qualified</i>
<i>Product Name:</i>	<i>Long-Term Care Insurance 97060 AR & 97060 ARS</i>		
<i>Project Name/Number:</i>	<i>/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: STFH-125832827 State: Arkansas

Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 40360

Company

Company Tracking Number:

TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified

Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS

Project Name/Number: /

Rate/Rule Schedule

Review Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Arkansas Non-Partnership Rates Table C03 - Form 97060 AR		New		Arkansas Non-Partnership Rates Table C03 - Form 97060 AR.pdf
	Arkansas Non-Partnership Rates Table C03 - Form 97060 ARS		New		Arkansas Non-Partnership Rates Table C03 - Form 97060 ARS.pdf

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 AR
Non-Partnership Policy - No Inflation Protection
Select Rate Per \$1 of Daily Benefit

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.93	3.74	4.79	6.31	6.41
35-39	3.19	4.08	5.23	6.88	6.99
40	3.30	4.22	5.41	7.11	7.23
41	3.39	4.33	5.56	7.30	7.43
42	3.50	4.46	5.73	7.53	7.66
43	3.61	4.61	5.91	7.77	7.90
44	3.71	4.74	6.08	7.99	8.13
45	3.79	4.84	6.21	8.16	8.30
46	3.90	4.96	6.26	8.26	8.40
47	4.02	5.08	6.28	8.30	8.44
48	4.14	5.20	6.28	8.33	8.47
49	4.29	5.36	6.30	8.43	8.57
50	4.47	5.56	6.46	8.66	8.80
51	4.70	5.82	6.74	9.01	9.16
52	4.95	6.12	7.10	9.46	9.61
53	5.23	6.46	7.53	9.99	10.14
54	5.53	6.82	8.03	10.60	10.76
55	5.85	7.20	8.58	11.29	11.47
56	6.16	7.57	9.18	12.06	12.26
57	6.46	7.93	9.84	12.91	13.13
58	6.79	8.33	10.57	13.84	14.09
59	7.19	8.82	11.36	14.86	15.14
60	7.71	9.45	12.23	15.98	16.29
61	8.34	10.18	13.06	17.10	17.43
62	9.05	10.99	13.85	18.19	18.55
63	9.85	11.91	14.77	19.43	19.81
64	10.75	13.00	15.97	21.00	21.41
65	11.78	14.29	17.62	23.06	23.50
66	12.93	15.77	19.72	25.60	26.07
67	14.17	17.40	22.18	28.48	29.00
68	15.54	19.22	24.96	31.77	32.33
69	17.03	21.25	28.05	35.48	36.09
70	18.68	23.53	31.41	39.65	40.33
71	20.38	25.98	34.79	44.09	44.82
72	22.10	28.43	38.22	48.76	49.56
73	24.02	31.16	42.06	53.98	54.85
74	26.30	34.41	46.69	60.03	61.00
75	29.08	38.46	52.49	67.24	68.31

Preferred Rate Per \$1 of Daily Benefit

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.64	3.37	4.31	5.68	5.77
35-39	2.87	3.67	4.71	6.19	6.29
40	2.97	3.80	4.87	6.40	6.51
41	3.05	3.90	5.00	6.57	6.69
42	3.15	4.01	5.16	6.78	6.89
43	3.25	4.15	5.32	6.99	7.11
44	3.34	4.27	5.47	7.19	7.32
45	3.41	4.36	5.59	7.34	7.47
46	3.51	4.46	5.63	7.43	7.56
47	3.62	4.57	5.65	7.47	7.60
48	3.73	4.68	5.65	7.50	7.62
49	3.86	4.82	5.67	7.59	7.71
50	4.02	5.00	5.81	7.79	7.92
51	4.23	5.24	6.07	8.11	8.24
52	4.46	5.51	6.39	8.51	8.65
53	4.71	5.81	6.78	8.99	9.13
54	4.98	6.14	7.23	9.54	9.68
55	5.27	6.48	7.72	10.16	10.32
56	5.54	6.81	8.26	10.85	11.03
57	5.81	7.14	8.86	11.62	11.82
58	6.11	7.50	9.51	12.46	12.68
59	6.47	7.94	10.22	13.37	13.63
60	6.94	8.51	11.01	14.38	14.66
61	7.51	9.16	11.75	15.39	15.69
62	8.15	9.89	12.47	16.37	16.70
63	8.87	10.72	13.29	17.49	17.83
64	9.68	11.70	14.37	18.90	19.27
65	10.60	12.86	15.86	20.75	21.15
66	11.64	14.19	17.75	23.04	23.46
67	12.75	15.66	19.96	25.63	26.10
68	13.99	17.30	22.46	28.59	29.10
69	15.33	19.13	25.25	31.93	32.48
70	16.81	21.18	28.27	35.69	36.30
71	18.34	23.38	31.31	39.68	40.34
72	19.89	25.59	34.40	43.88	44.60
73	21.62	28.04	37.85	48.58	49.37
74	23.67	30.97	42.02	54.03	54.90
75	26.17	34.61	47.24	60.52	61.48

Modes Other Than Annual
Semiannual Mode: 51% of Annual
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 AR
Non-Partnership Policy - No Inflation Protection
Select Rate Per \$1 of Daily Benefit

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.61	3.33	4.27	5.61	5.71
35-39	2.84	3.63	4.65	6.12	6.22
40	2.94	3.75	4.81	6.33	6.44
41	3.02	3.85	4.94	6.50	6.61
42	3.11	3.97	5.10	6.71	6.82
43	3.21	4.10	5.26	6.92	7.03
44	3.30	4.21	5.41	7.11	7.23
45	3.37	4.30	5.52	7.26	7.39
46	3.44	4.38	5.57	7.33	7.45
47	3.48	4.42	5.58	7.34	7.47
48	3.53	4.47	5.60	7.36	7.49
49	3.60	4.54	5.61	7.38	7.50
50	3.72	4.68	5.75	7.57	7.70
51	3.89	4.86	6.01	7.90	8.03
52	4.09	5.09	6.33	8.31	8.46
53	4.32	5.36	6.71	8.80	8.97
54	4.57	5.66	7.14	9.37	9.53
55	4.84	6.00	7.63	10.00	10.18
56	5.09	6.38	8.18	10.70	10.89
57	5.33	6.79	8.76	11.46	11.67
58	5.60	7.24	9.41	12.30	12.53
59	5.93	7.74	10.12	13.22	13.48
60	6.36	8.29	10.89	14.23	14.51
61	6.87	8.83	11.63	15.22	15.51
62	7.44	9.34	12.33	16.20	16.51
63	8.09	9.93	13.15	17.30	17.63
64	8.84	10.72	14.22	18.70	19.06
65	9.72	11.80	15.68	20.53	20.92
66	10.71	13.20	17.56	22.79	23.23
67	11.79	14.86	19.76	25.39	25.86
68	12.99	16.73	22.24	28.33	28.84
69	14.32	18.77	25.00	31.63	32.18
70	15.80	20.95	27.96	35.29	35.89
71	17.38	23.11	30.95	39.18	39.84
72	18.96	25.30	34.00	43.27	43.97
73	20.70	27.73	37.37	47.80	48.56
74	22.75	30.58	41.40	53.00	53.83
75	25.27	34.07	46.36	59.09	60.01

Preferred Rate Per \$1 of Daily Benefit

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.35	3.00	3.84	5.05	5.14
35-39	2.56	3.27	4.19	5.51	5.60
40	2.65	3.38	4.33	5.70	5.80
41	2.72	3.47	4.45	5.85	5.95
42	2.80	3.57	4.59	6.04	6.14
43	2.89	3.69	4.73	6.23	6.33
44	2.97	3.79	4.87	6.40	6.51
45	3.03	3.87	4.97	6.53	6.65
46	3.10	3.94	5.01	6.60	6.71
47	3.13	3.98	5.02	6.61	6.72
48	3.18	4.02	5.04	6.62	6.74
49	3.24	4.09	5.05	6.64	6.75
50	3.35	4.21	5.18	6.81	6.93
51	3.50	4.37	5.41	7.11	7.23
52	3.68	4.58	5.70	7.48	7.61
53	3.89	4.82	6.04	7.92	8.07
54	4.11	5.09	6.43	8.43	8.58
55	4.36	5.40	6.87	9.00	9.16
56	4.58	5.74	7.36	9.63	9.80
57	4.80	6.11	7.88	10.31	10.50
58	5.04	6.52	8.47	11.07	11.28
59	5.34	6.97	9.11	11.90	12.13
60	5.72	7.46	9.80	12.81	13.06
61	6.18	7.95	10.47	13.70	13.96
62	6.70	8.41	11.10	14.58	14.86
63	7.28	8.94	11.84	15.57	15.87
64	7.96	9.65	12.80	16.83	17.15
65	8.75	10.62	14.11	18.48	18.83
66	9.64	11.88	15.80	20.51	20.91
67	10.61	13.37	17.78	22.85	23.27
68	11.69	15.06	20.02	25.50	25.96
69	12.89	16.89	22.50	28.47	28.96
70	14.22	18.86	25.16	31.76	32.30
71	15.64	20.80	27.86	35.26	35.86
72	17.06	22.77	30.60	38.94	39.57
73	18.63	24.96	33.63	43.02	43.70
74	20.48	27.52	37.26	47.70	48.45
75	22.74	30.66	41.72	53.18	54.01

Modes Other Than Annual
Semiannual Mode: 51% of Annual
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 AR
Non-Partnership Policy - No Inflation Protection
Select Rate Per \$1 of Daily Benefit

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.29	2.91	3.73	4.92	5.00
35-39	2.49	3.18	4.07	5.37	5.46
40	2.58	3.29	4.21	5.55	5.65
41	2.65	3.37	4.33	5.70	5.80
42	2.73	3.48	4.46	5.88	5.98
43	2.82	3.59	4.60	6.07	6.17
44	2.90	3.69	4.73	6.24	6.34
45	2.96	3.77	4.83	6.37	6.48
46	3.07	3.84	4.88	6.43	6.54
47	3.19	3.90	4.89	6.45	6.56
48	3.32	3.95	4.90	6.46	6.57
49	3.45	4.04	4.91	6.47	6.58
50	3.59	4.16	5.03	6.63	6.74
51	3.71	4.33	5.26	6.93	7.04
52	3.82	4.53	5.55	7.28	7.40
53	3.94	4.76	5.87	7.71	7.84
54	4.08	5.02	6.24	8.20	8.33
55	4.25	5.31	6.67	8.74	8.89
56	4.44	5.62	7.12	9.34	9.51
57	4.64	5.96	7.63	10.00	10.19
58	4.87	6.32	8.19	10.72	10.93
59	5.16	6.73	8.79	11.51	11.74
60	5.53	7.20	9.46	12.38	12.62
61	5.99	7.67	10.09	13.23	13.49
62	6.51	8.14	10.70	14.07	14.34
63	7.10	8.68	11.40	15.01	15.30
64	7.77	9.38	12.32	16.20	16.52
65	8.53	10.32	13.57	17.76	18.09
66	9.36	11.52	15.18	19.68	20.05
67	10.26	12.94	17.08	21.90	22.29
68	11.25	14.52	19.20	24.40	24.81
69	12.37	16.24	21.54	27.16	27.63
70	13.65	18.07	24.03	30.20	30.71
71	15.04	19.88	26.53	33.42	33.97
72	16.53	21.71	29.06	36.81	37.40
73	18.18	23.71	31.84	40.53	41.16
74	20.04	26.07	35.14	44.74	45.43
75	22.17	28.90	39.14	49.63	50.37

Preferred Rate Per \$1 of Daily Benefit

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	2.06	2.62	3.36	4.43	4.50
35-39	2.24	2.86	3.66	4.83	4.91
40	2.32	2.96	3.79	5.00	5.09
41	2.39	3.03	3.90	5.13	5.22
42	2.46	3.13	4.01	5.29	5.38
43	2.54	3.23	4.14	5.46	5.55
44	2.61	3.32	4.26	5.62	5.71
45	2.66	3.39	4.35	5.73	5.83
46	2.76	3.46	4.39	5.79	5.89
47	2.87	3.51	4.40	5.81	5.90
48	2.99	3.56	4.41	5.81	5.91
49	3.11	3.64	4.42	5.82	5.92
50	3.23	3.74	4.53	5.97	6.07
51	3.34	3.90	4.73	6.24	6.34
52	3.44	4.08	5.00	6.55	6.66
53	3.55	4.28	5.28	6.94	7.06
54	3.67	4.52	5.62	7.38	7.50
55	3.83	4.78	6.00	7.87	8.00
56	4.00	5.06	6.41	8.41	8.56
57	4.18	5.36	6.87	9.00	9.17
58	4.38	5.69	7.37	9.65	9.84
59	4.64	6.06	7.91	10.36	10.57
60	4.98	6.48	8.51	11.14	11.36
61	5.39	6.90	9.08	11.91	12.14
62	5.86	7.33	9.63	12.66	12.91
63	6.39	7.81	10.26	13.51	13.77
64	6.99	8.44	11.09	14.58	14.87
65	7.68	9.29	12.21	15.98	16.28
66	8.42	10.37	13.66	17.71	18.05
67	9.23	11.65	15.37	19.71	20.06
68	10.13	13.07	17.28	21.96	22.33
69	11.13	14.62	19.39	24.44	24.87
70	12.29	16.26	21.63	27.18	27.64
71	13.54	17.89	23.88	30.08	30.57
72	14.88	19.54	26.15	33.13	33.66
73	16.36	21.34	28.66	36.48	37.04
74	18.04	23.46	31.63	40.27	40.89
75	19.95	26.01	35.23	44.67	45.33

Modes Other Than Annual
Semiannual Mode: 51% of Annual
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 ARS
Non-Partnership Policy - Simple Inflation Protection
Select Rate Per \$1 of Daily Benefit

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	5.45	6.69	8.51	11.18	11.39
35-39	6.42	7.75	9.48	13.30	13.53
40	6.87	8.30	9.94	14.26	14.51
41	7.14	8.62	10.28	14.80	15.07
42	7.43	8.95	10.66	15.36	15.64
43	7.72	9.31	11.08	15.95	16.23
44	8.02	9.67	11.54	16.56	16.85
45	8.31	10.03	12.00	17.20	17.50
46	8.66	10.44	12.49	17.88	18.19
47	9.04	10.90	13.04	18.61	18.92
48	9.44	11.36	13.59	19.35	19.68
49	9.84	11.84	14.13	20.14	20.47
50	10.25	12.33	14.71	20.94	21.28
51	10.67	12.82	15.29	21.76	22.12
52	11.08	13.32	15.89	22.60	22.97
53	11.50	13.84	16.50	23.48	23.85
54	11.94	14.37	17.15	24.39	24.78
55	12.42	14.94	17.83	25.37	25.77
56	12.89	15.51	18.51	26.35	26.77
57	13.34	16.07	19.19	27.35	27.76
58	13.83	16.68	19.92	28.41	28.84
59	14.40	17.38	20.76	29.61	30.06
60	15.11	18.24	21.78	31.04	31.50

Preferred Rate Per \$1 of Daily Benefit

30 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	4.91	6.03	7.66	10.06	10.25
35-39	5.78	6.97	8.54	11.97	12.18
40	6.18	7.47	8.95	12.84	13.06
41	6.43	7.76	9.25	13.32	13.57
42	6.69	8.05	9.60	13.83	14.07
43	6.95	8.38	9.97	14.35	14.61
44	7.22	8.71	10.38	14.90	15.17
45	7.48	9.03	10.80	15.48	15.75
46	7.79	9.39	11.24	16.09	16.37
47	8.14	9.81	11.73	16.75	17.03
48	8.50	10.22	12.23	17.42	17.71
49	8.86	10.65	12.72	18.13	18.42
50	9.22	11.09	13.24	18.84	19.15
51	9.60	11.54	13.77	19.59	19.90
52	9.98	11.99	14.30	20.34	20.67
53	10.35	12.45	14.85	21.13	21.47
54	10.75	12.94	15.44	21.95	22.30
55	11.18	13.45	16.05	22.83	23.19
56	11.60	13.96	16.66	23.71	24.09
57	12.00	14.47	17.28	24.62	24.99
58	12.45	15.02	17.93	25.57	25.96
59	12.96	15.64	18.68	26.65	27.06
60	13.60	16.42	19.61	27.93	28.35

Modes Other Than Annual
Semiannual Mode: 51% of Annual
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 ARS
Non-Partnership Policy - Simple Inflation Protection
Select Rate Per \$1 of Daily Benefit

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	4.68	5.95	7.58	9.55	9.74
35-39	5.33	6.58	8.26	11.08	11.28
40	5.67	6.86	8.54	11.88	12.09
41	5.88	7.10	8.77	12.32	12.54
42	6.10	7.37	9.05	12.79	13.01
43	6.34	7.67	9.34	13.27	13.49
44	6.59	7.97	9.61	13.77	14.01
45	6.85	8.29	9.95	14.31	14.56
46	7.15	8.65	10.34	14.88	15.13
47	7.46	9.02	10.79	15.50	15.76
48	7.79	9.41	11.28	16.15	16.43
49	8.13	9.81	11.73	16.76	17.03
50	8.47	10.22	12.21	17.43	17.72
51	8.81	10.62	12.70	18.12	18.40
52	9.14	11.03	13.17	18.80	19.11
53	9.49	11.45	13.66	19.51	19.84
54	9.85	11.88	14.18	20.26	20.57
55	10.23	12.34	14.75	21.04	21.37
56	10.60	12.80	15.34	21.84	22.17
57	10.95	13.24	15.93	22.62	22.96
58	11.34	13.72	16.60	23.47	23.84
59	11.79	14.28	17.32	24.44	24.81
60	12.36	14.97	18.22	25.59	25.98

Preferred Rate Per \$1 of Daily Benefit

90 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	4.21	5.36	6.82	8.60	8.77
35-39	4.80	5.93	7.44	9.97	10.15
40	5.11	6.18	7.69	10.70	10.89
41	5.29	6.40	7.90	11.09	11.29
42	5.49	6.63	8.15	11.51	11.71
43	5.71	6.90	8.40	11.95	12.14
44	5.93	7.17	8.65	12.39	12.61
45	6.16	7.46	8.96	12.88	13.10
46	6.44	7.78	9.30	13.40	13.62
47	6.71	8.12	9.71	13.95	14.18
48	7.01	8.47	10.15	14.53	14.79
49	7.32	8.83	10.56	15.08	15.33
50	7.63	9.20	10.99	15.68	15.95
51	7.93	9.55	11.43	16.31	16.56
52	8.23	9.93	11.86	16.92	17.20
53	8.54	10.30	12.30	17.56	17.85
54	8.86	10.69	12.77	18.23	18.52
55	9.21	11.11	13.28	18.94	19.23
56	9.54	11.52	13.80	19.66	19.95
57	9.86	11.92	14.33	20.35	20.66
58	10.21	12.35	14.94	21.12	21.46
59	10.61	12.86	15.59	22.00	22.33
60	11.12	13.47	16.40	23.03	23.38

Modes Other Than Annual
Semiannual Mode: 51% of Annual
Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Long Term Care Insurance Policy Form 97060 ARS
Non-Partnership Policy - Simple Inflation Protection
Select Rate Per \$1 of Daily Benefit

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	4.13	5.25	6.69	8.46	8.62
35-39	4.70	5.81	7.30	9.81	9.99
40	4.99	6.06	7.55	10.51	10.70
41	5.18	6.26	7.76	10.90	11.09
42	5.39	6.50	8.00	11.31	11.51
43	5.61	6.76	8.25	11.74	11.94
44	5.82	7.03	8.49	12.18	12.39
45	6.02	7.31	8.77	12.65	12.87
46	6.29	7.62	9.12	13.16	13.38
47	6.57	7.96	9.52	13.71	13.95
48	6.86	8.30	9.95	14.29	14.52
49	7.16	8.66	10.35	14.82	15.06
50	7.47	9.02	10.77	15.40	15.65
51	7.76	9.37	11.20	16.02	16.27
52	8.05	9.73	11.62	16.62	16.88
53	8.36	10.09	12.04	17.24	17.51
54	8.67	10.47	12.48	17.89	18.16
55	8.99	10.87	13.00	18.57	18.85
56	9.31	11.26	13.53	19.25	19.55
57	9.61	11.65	14.11	19.93	20.24
58	9.94	12.05	14.73	20.66	21.00
59	10.33	12.53	15.42	21.50	21.83
60	10.83	13.14	16.23	22.51	22.85

Preferred Rate Per \$1 of Daily Benefit

180 Day Elimination Period

Issue Age	2 Year Benefit Period	3 Year Benefit Period	5 Year Benefit Period	10 Year Benefit Period	Lifetime Benefit Period
30-34	3.72	4.73	6.02	7.62	7.76
35-39	4.23	5.23	6.57	8.83	8.99
40	4.49	5.45	6.80	9.46	9.64
41	4.67	5.63	6.99	9.81	9.98
42	4.85	5.85	7.20	10.18	10.36
43	5.05	6.08	7.43	10.56	10.74
44	5.24	6.33	7.64	10.97	11.16
45	5.41	6.58	7.90	11.38	11.58
46	5.66	6.86	8.21	11.85	12.05
47	5.91	7.16	8.57	12.34	12.55
48	6.18	7.48	8.96	12.86	13.07
49	6.45	7.80	9.32	13.34	13.55
50	6.72	8.11	9.70	13.86	14.09
51	6.99	8.44	10.08	14.42	14.65
52	7.25	8.76	10.46	14.96	15.19
53	7.53	9.08	10.83	15.52	15.76
54	7.80	9.43	11.24	16.10	16.35
55	8.10	9.78	11.70	16.72	16.96
56	8.38	10.14	12.18	17.33	17.60
57	8.65	10.48	12.70	17.94	18.22
58	8.94	10.85	13.26	18.60	18.90
59	9.29	11.28	13.88	19.35	19.65
60	9.75	11.83	14.60	20.26	20.57

Modes Other Than Annual

Semiannual Mode: 51% of Annual

Quarterly Mode: 26% of Annual

Spousal Discount is 30% of resulting Standard or Preferred Rate

Modal rate for the Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR is
30% of the resulting modal premium shown above after application of Spousal Discount.

SERFF Tracking Number: STFH-125832827 State: Arkansas
Filing Company: State Farm Mutual Automobile Insurance State Tracking Number: 40360
Company
Company Tracking Number:
TOI: LTC03I Individual Long Term Care Sub-TOI: LTC03I.001 Qualified
Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS
Project Name/Number: /

Supporting Document Schedules

Review Status:

Satisfied -Name: Certification/Notice 09/25/2008
Comments:
Attachment:
Readability Certification Form for 97060 AR, 97060 ARS, 99591 AR & 1000831.pdf

Review Status:

Satisfied -Name: Application 09/25/2008
Comments:
Please see Forms Schedule Tab.

Review Status:

Satisfied -Name: Outline of Coverage 09/25/2008
Comments:
This document is the same as the one attached under the From Schedule Tab.
Attachment:
AR Outline of Coverage 1000831.pdf

Review Status:

Satisfied -Name: Cover Letter 09/25/2008
Comments:
Attachment:
Cover Letter.pdf

Review Status:

Satisfied -Name: Exhibits I - IV 09/25/2008
Comments:
Attachments:
Exhibit I - Reserve Sample.pdf
Exhibit II - Gross Premium, Net Premium and Renewal Expenses.pdf
Exhibit III - Premium Comparison - Arkansas.pdf

State: *Arkansas*

State Tracking Number: 40360

Company Tracking Number:

Sub-TOI: LTC03I.001 Qualified

Product Name: Long-Term Care Insurance 97060 AR & 97060 ARS

Project Name/Number: /

Exhibit IV - Projection.pdf

READABILITY SCORE AND CERTIFICATION FOR

The Flesch reading ease test score for the following forms are:

Long-Term Care Insurance Policy 97060 AR – 45.7

Long-term Care Insurance Policy 97060 ARS – 45.3

Nonforfeiture Benefit/Shortened Benefit Rider 99591 AR – 42.6

Long-Term Care Insurance Application 1000899 – 49.6

This meets the minimum reading ease test score required in this state.



Mary F. Keim
Assistant Secretary/Treasurer



State Farm Mutual Automobile Insurance Company
Home Office, Bloomington, IL 61710
(309) 766-2311

Retain this for your records.

Outline of Coverage

Long-Term Care Insurance Policies

Form 97060 Series

Notice to Buyer: This policy may not cover all of the costs associated with Long-Term Care incurred by you during the period of coverage. You are advised to review carefully all policy limitations.

Caution: The issuance of this Long-Term Care Insurance policy is based upon your responses to the questions on your application. A copy of your application will be attached to your policy. If your answers are incorrect or untrue, the company may have the right to deny benefits or rescind your policy. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact the company at this address: State Farm Mutual Automobile Insurance Company, One State Farm Plaza, Bloomington, Illinois 61710-0001.

1. This policy is an individual policy of insurance which was issued in the State of Arkansas.
2. **PURPOSE OF OUTLINE OF COVERAGE.** This outline of coverage provides a very brief description of the important features of the policy. You should compare this outline of coverage to outlines of coverage for other policies available to you. This is not an insurance contract, but only a summary of coverage. Only the individual policy contains governing contractual provisions. This means that the policy sets forth in detail the rights and obligations of both you and the insurance company. Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR POLICY CAREFULLY!**
3. **FEDERAL TAX CONSEQUENCES.** This policy is intended to be a federally tax-qualified Long-Term Care Insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended.
4. **TERMS UNDER WHICH THE POLICY MAY BE CONTINUED IN FORCE OR DISCONTINUED.**
 - (a) **RENEWABILITY: THIS POLICY IS GUARANTEED RENEWABLE.** This means you have the right, subject to the terms of your policy, to continue this policy as long as you pay your premiums on time. State Farm Mutual Automobile Insurance Company cannot change any of the terms of your policy on its own, except that, in the future, **IT MAY INCREASE THE PREMIUM YOU PAY.**

(b) WAIVER OF PREMIUM BENEFIT. We will waive premiums that become due after you are certified Chronically Ill and receive 90 days of eligible, covered, Qualified Long-Term Care services, so long as you:

- (1) Remain Chronically Ill; and
- (2) Continue to receive eligible, covered, Long-Term Care services.

The 90 days that care is provided do not need to be consecutive; however, this care cannot be separated by more than 15 consecutive days.

If you recover or are no longer receiving eligible, covered, Qualified Long-Term Care services or your Maximum Lifetime Benefit amount has been paid, you will need to resume paying your premium to keep your policy in force.

Days used to satisfy your Elimination Period can count toward the Waiver of Premium requirement. Payment under the Home Modification and Durable Medical Equipment Benefit, Medical Help System Benefit and Caregiver Training Benefit will not count toward the 90 days of care needed for the premium to be waived.

5. TERMS UNDER WHICH THE COMPANY MAY CHANGE PREMIUMS. Any change will apply to all policies in the same class as yours in the state where the policy was issued. We will notify you in writing 45 days before your premium changes.

6. TERMS UNDER WHICH THE POLICY MAY BE RETURNED AND PREMIUM REFUNDED. It is important that you understand your policy and are satisfied with it. Please read it carefully. If you are not satisfied with it for any reason, return it to us at our Home Office at One State Farm Plaza, Bloomington, Illinois 61710-0001 or our agent through whom it was purchased within 30 days after you receive it. We will then refund any premium you have paid and the policy will be considered to never have been issued.

The policy contains a provision providing for refund of unearned premium upon notice of your death, or if you exercise your right to request cancellation.

7. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Medicare Supplement Buyer's Guide available from the insurance company.

Neither the State Farm Mutual Automobile Insurance Company nor its agents represent Medicare, the federal government or any state government.

8. LONG-TERM CARE COVERAGE. Policies of this category are designed to provide coverage for one or more necessary or medically necessary diagnostic, preventive, therapeutic, rehabilitative, maintenance, or personal care services, provided in a setting other than an acute care unit of a hospital, such as in a nursing home, in the community, or in the home.

This policy provides coverage in the form of reimbursement of expenses for eligible, covered, Qualified Long-Term Care services, subject to policy limitations, waiting periods, and coinsurance requirements.

9. BENEFITS PROVIDED BY THIS POLICY

(a) BENEFIT LIMITS

Maximum Daily Benefit: \$ _____

Maximum Weekly Adult Day Care Benefit: \$ _____

Maximum Lifetime Benefit: \$ _____

The Maximum Lifetime Benefit is the total amount payable in the lifetime of your policy for all benefits. Your original Maximum Lifetime Benefit is shown on your Policy Schedule.

Elimination Period: _____ Days

The Elimination Period is the number of days for which we will **NOT** pay benefits, that eligible, covered, Qualified Long-Term Care services are provided and charged for before benefits can be paid. The number of days of your Elimination Period are shown on your Policy Schedule and can be satisfied by any combination of days in an Alternate Care Facility, Long-Term Care Facility, and Home and Adult Day Care. Care does not need to be continuous but must be satisfied within a continuous 730 day (2 year) period. The Elimination Period has to be satisfied only one (1) time while this policy is in force.

(b) INSTITUTIONAL BENEFITS

(1) Alternate Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in an Alternate Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in an Alternate Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by an Alternate Care Facility.

(2) Long-Term Care Facility Benefit

If you are certified Chronically Ill, each day you require and receive services in a Long-Term Care Facility, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in a Long-Term Care Facility, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided by a Long-Term Care Facility.

(3) Bed Reservation Benefit

If you are certified Chronically Ill and a resident in an eligible Alternate Care Facility or Long-Term Care Facility and incur a room charge while you are temporarily absent, we will pay up to 30 days per calendar year to hold your room. The amount payable will be the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur to reserve your space in the facility.

Unused days in one calendar year cannot be carried over into the next calendar year.

(c) NONINSTITUTIONAL BENEFITS

(1) Home and Adult Day Care Benefit

If you are certified Chronically Ill and require and receive Home and Adult Day Care, benefits will be paid as described below. When eligible, covered, Qualified Long-Term Care services are provided in your Home or Adult Day Care, we will pay, on a calendar week basis, the lesser of:

- a. Seven (7) times the Maximum Daily Benefit; or
- b. The expenses you incur for eligible, covered, Qualified Long-Term Care services provided in a calendar week by:
 1. A Home Health Care Agency; and/or
 2. Adult Day Care.

Home and Adult Day Care benefits will not be payable if you are receiving services as a resident in an Alternate Care Facility, Long-Term Care Facility, or hospital.

(2) Home Modification and Durable Medical Equipment Benefit

If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that you need assistance provided in a Long-Term Care Facility, alternative options, such as Home Modification or purchase, rental, or lease of Durable Medical Equipment, may be available.

Home Modification and Durable Medical Equipment Benefits are available to enable you to remain in Your Home if the following requirements are met:

- a. The request is made by you or Your Personal Representative; and
- b. Developed by or with a Licensed Health Care Practitioner; and

- c. Expected to enable you to remain in Your Home for at least 90 days after Home Modification is complete or Durable Medical Equipment is provided; and
- d. Approved, in writing, by you or Your Personal Representative, the Licensed Health Care Practitioner, and us, before any activity is done to begin the modifications or equipment is obtained.

The Home Modification and Durable Medical Equipment Benefit maximum benefit is fifty (50) times the current Maximum Daily Benefit in effect on the day initial benefits under this provision are paid. As benefits are paid, the paid amount is subtracted from the total amount available under this benefit. The Maximum Lifetime Benefit amount is reduced by benefits paid under the Home Modification and Durable Medical Equipment provision.

This benefit will be paid in addition to your Home and Adult Day Care Benefit or Alternate Plan of Care Benefit, if being utilized, providing it is in preparation for you to return to Your Home or enables you to remain in Your Home. Once the maximum benefit under the Home Modification and Durable Medical Equipment Benefit is exhausted, no further benefits will be available. Restoration of Benefits does not apply to this benefit.

Home Modifications may include, but are not limited to, widening doorways, building ramps, restructuring bathroom facilities to accommodate wheelchairs, etc. Home Modification does not include hot tubs, swimming pools and items similar in nature, home repair or maintenance, or other modifications that are made to increase the value of Your Home.

Durable Medical Equipment will need to stand repetitive use, be medical in nature, and not be needed or used in the absence of disease or impairment. Items may include, but are not limited to, wheelchairs, portable slings for lifting the body, or adaptive devices to assist with eating, dressing, etc. Durable Medical Equipment does not include prescription drugs, athletic equipment, equipment placed on or in your body, or items commonly found in a household, items primarily designed to enhance comfort or convenience are not eligible.

Benefits for Durable Medical Equipment considered eligible or covered by or paid by Medicare will not be duplicated or paid in any manner, including coinsurance and deductible amounts.

No benefits are eligible under the Home Modification and Durable Medical Equipment Benefit for services or items obtained prior to our approval of your request. If your request is approved, benefits will only be provided pursuant to this agreement.

Our approval of a Home Modification and Durable Medical Equipment request will not waive any of your or our rights under the policy.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid will not apply toward your Elimination Period.

(3) Respite Care Benefit

In addition to any benefits payable above, we will pay for up to 30 days of Respite Care per calendar year.

For each day of Respite Care, we will pay the lesser of:

- a. The Maximum Daily Benefit; or
- b. The expenses you incur for such care.

No benefits will be paid before the Elimination Period is satisfied. Unused days cannot be carried over into the next calendar year.

(4) Medical Help System Benefit

If you are certified Chronically Ill, we will pay the expense you incur each month, not to exceed 25% of your Maximum Daily Benefit, toward the rental or lease of a Medical Help System installed in Your Home while the policy is in force. This amount is payable for a maximum of 12 months during the lifetime of your policy.

This benefit will be paid in addition to benefits provided for Home and Adult Day Care and services provided under an Alternate Plan of Care. Benefits for a Medical Help System are only payable if you are residing in Your Home.

The Medical Help System Benefit does not provide coverage for normal telephone services, mobile phones, pagers, home security systems, and other similar communication devices.

You do not have to satisfy your Elimination Period for this benefit to apply; however, days that are paid do not apply toward your Elimination Period.

(5) Caregiver Training Benefit

If you require eligible, covered, Qualified Long-Term Care services, we will pay the expenses you incur for Caregiver Training, not to exceed five (5) times the Maximum Daily Benefit during any one Plan of Care.

This benefit will be paid in addition to your Maximum Daily Benefit.

You do not have to satisfy your Elimination Period for this benefit to apply; however, the days on which benefits are paid do not apply toward your Elimination Period.

This benefit is payable to enable you to remain in Your Home or return to Your Home, to be cared for by your Informal Caregiver. The Caregiver Training Benefit will not be provided to a person who will be paid as a caregiver.

(d) ELIGIBILITY FOR PAYMENT OF BENEFITS

(1) Activities of Daily Living: The Activities of Daily Living are:

- a. Bathing. Washing yourself by sponge bath; or in either a tub or shower, including the task of getting into or out of the tub or shower.
- b. Continence. The ability to maintain control of bowel and bladder function; or, when unable to control bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
- c. Dressing. Putting on and taking off all items of clothing and any necessary braces, fasteners, or artificial limbs.
- d. Eating. Feeding yourself by getting food into your body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously.
- e. Toileting. Getting to and from, and off and on, the toilet, and performing associated personal hygiene.
- f. Transferring. Moving into or out of a bed, chair, or wheelchair.

(2) Alternate Care Facility: A facility in which Maintenance, Personal, or Custodial Services are provided and satisfies all the following requirements:

- a. Licensed to operate as an Alternate Care Facility by the appropriate licensing agency in the state where you receive care, when a license is offered or available; and
- b. Provides 24-hour per day care services sufficient to support the needs of a Chronically Ill individual; and
- c. Has at least one (1) trained staff member on duty at all times; and
- d. Provides three (3) meals per day, accommodating special dietary needs; and
- e. Has formal arrangements for services with a physician or nurse to provide medical care in case of an emergency; and
- f. Has appropriate procedures and methods for the administration and handling of drugs and other prescribed treatments.

An Alternate Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit, or swing-bed of a hospital or institution, or part of a life-care community.

An Alternate Care Facility may be referred to as an assisted living facility, a residential care facility, a personal care home or facility, a designated dementia or Hospice facility or unit, or other similar terms.

(3) Chronically Ill: Certification by a Licensed Health Care Practitioner that you:

- a. Are unable to perform at least two (2) Activities of Daily Living, without Substantial Assistance, for a period of at least 90 days due to a loss of functional capacity; or
- b. Require Substantial Supervision to protect your health and safety due to a severe Cognitive Impairment.

You can be certified as being Chronically Ill for a maximum of up to 12 months prior to receiving Substantial Assistance or Substantial Supervision.

(4) Cognitive Impairment: Certification by a Licensed Health Care Practitioner that you have a loss or deterioration in intellectual capacity, or judgment, which requires continual supervision to protect yourself, and is measurable by clinical evidence and standardized tests that reliably evaluate:

- a. Short and long term memory; and
- b. Orientation as to person (who you are), place (your location), and time (day, date, and year); and
- c. Deductive or abstract reasoning.

(5) Long-Term Care Facility: A facility in which skilled, intermediate, or custodial nursing care is provided and satisfies all the following requirements:

- a. Licensed to operate as a Long-Term Care Facility by the appropriate licensing agency in the state where You receive care, when a license is offered or available; and
- b. Provides 24-hour per day care by or under the supervision of a registered, licensed practical, or licensed vocational nurse; and
- c. Maintains daily records for all residents of the care and services provided.

A Long-Term Care Facility does not mean a hospital, clinic, boarding home, or a place that operates primarily for the treatment of alcoholism or drug addiction, individual residences or independent living units. However, with appropriate licensure, it may be a freestanding facility or a distinct part of a facility such as a ward, wing, or unit or swing-bed of a hospital or institution, or part of a life-care community.

(6) Qualified Long-Term Care: Diagnostic, preventive, therapeutic, curing, treating, mitigating, and Maintenance, Personal, or Custodial Services, which:

- a. Are required by a Chronically Ill individual; and
- b. Are provided following a Plan of Care prescribed by a Licensed Health Care Practitioner.

Qualified Long-Term Care services do not include expenses you incur for physician's services, prescription or nonprescription medication, medical supplies, acute care hospital services, laboratory services, transportation, and items furnished at your request for beautification, comfort, convenience, or entertainment. Expenses you incur for medical supplies and prescription or nonprescription medication may be eligible when you are confined in a Long-Term Care Facility or Alternate Care Facility and the facility bills for these expenses.

(e) RESTORATION OF BENEFITS

Your Maximum Lifetime Benefit, if not already exhausted, will be fully restored to its original maximum as if no claim benefits have been paid, if:

- (1) You are no longer Chronically Ill; and
- (2) You have not required nor received eligible, covered, Qualified Long-Term Care services for 180 consecutive days.

There is no limit on the number of times Restoration of Benefits can occur, providing the requirements identified above are satisfied.

(f) INFLATION PROTECTION BENEFITS

The Simple Automatic Increase Benefit: If this benefit is selected, it means that on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefit by a fixed amount of 5% of the amount shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

Future Purchase Option Benefit: If you do not purchase a policy with the Simple Automatic Increase Benefit, you still have the opportunity to increase your Maximum Daily Benefit shown on the Policy Schedule on your 45th, 50th, 55th, 60th, and 65th birthdays. This increase will be effective on the anniversary date of your policy. The application for the increase must be submitted within 60 days of notice. This increase is not available if:

- (1) You are Chronically Ill; or
- (2) You have required or received eligible, covered, Qualified Long-Term Care services within the past 180 consecutive days; or
- (3) You have a Simple Automatic Increase Benefit Rider in force.

(g) OPTIONAL BENEFITS

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR

Selected _____

Not Selected _____

The Nonforfeiture Benefit provides for continuation of coverage during your lifetime if you stop paying premiums. The benefits payable for a Long-Term Care Facility stay or home and community-based care which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

- (1) The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
- (2) The maximum amount we will pay for all covered care or services you receive after the Nonforfeiture Date is the greater of:
 - a. 100% of the sum of all premiums paid for the policy, including the premiums paid prior to any changes in benefits; or
 - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy, including this Nonforfeiture Benefit, will not exceed the Maximum Lifetime Benefit amount at the time of lapse. Benefits will be payable in accordance with all other terms and conditions of the policy.

10. LIMITATIONS AND EXCLUSIONS

- (a) Pre-existing Condition Limitation. Pre-existing condition means a health condition for which you received treatment or medical advice within the six (6) months before the effective date of your policy, and did not disclose on your application for insurance.

We will not pay for a loss due to a Pre-existing Condition which you did not disclose in the application unless the loss begins more than six (6) months after the Effective Date of Coverage. However, providing incorrect information may cause your policy to be voided.

If this policy replaces another Long-Term Care Insurance policy, the six (6) month time period above is waived to the extent it has been satisfied under the replaced policy.

- (b) Noneligible Facilities/Providers. Long-Term Care Facility does not mean Your Home, a hospital, clinic, boarding home or a place that operates primarily for the treatment of alcoholism or drug addiction. However, care or services provided in these facilities may be covered subject to the conditions of the Alternate Plan of Care benefit provision.

- (c) Exclusions/Exceptions. We will not pay benefits when:

- (1) You are entitled to, receive, are owed, or paid any benefit for a condition or impairment for which there is or has been a settlement related to Workers' Compensation Law, Occupational Diseases Law, or any similar law;
- (2) Your condition or impairment is the result of war or any act of war, declared or undeclared;
- (3) Charges are otherwise subject to coverage by Medicare and Medicare deductible/coinsurance amounts, including benefits paid by other government programs, as required by law, with the exception of Medicaid;
- (4) No charge is normally made in the absence of insurance;

- (5) Services are provided outside of the United States of America or its territories or possessions;
- (6) Your condition or impairment is brought about as a result of your participation in a felony, riot, or insurrection;
- (7) Your condition or impairment is brought about as a result of attempted suicide, while sane or insane, or intentionally self-inflicted injury; or
- (8) Your condition or impairment is brought about, directly or indirectly, as a result of your alcoholism or addiction to drugs; but not addiction which results from the administration of those substances in accordance with the advice and written instructions of a duly licensed physician.

THIS POLICY MAY NOT COVER ALL THE EXPENSES ASSOCIATED WITH YOUR LONG-TERM CARE NEEDS.

- 11. RELATIONSHIP OF COST OF CARE AND BENEFITS.** Because the costs of Long-Term Care Services will likely increase over time, you should consider whether and how the benefits of this policy may be adjusted. Except as described below, your benefit levels will not increase over time.

Your policy contains a Future Purchase Option Benefit. If you do not purchase the policy with the Simple Automatic Increase Benefit, you still have the opportunity to increase your Maximum Daily Benefit shown on the Policy Schedule on your 45th, 50th, 55th, 60th, and 65th birthdays. This increase will be effective on the anniversary date of your policy. The application for the increase must be submitted within 60 days of notice.

See the accompanying charts on page 14 which illustrate Maximum Daily Benefits when the Future Purchase Option is exercised.

You may request an increase to your daily benefit amounts at any time. The increase request would be subject to maximum issue and participation limits, health underwriting and payment of an additional premium based on the additional amount purchased and your attained age.

Your benefits may increase over time through the purchase of a policy with the Simple Automatic Increase Benefit.

If you select the policy with the Simple Automatic Increase Benefit, on each anniversary of your policy effective date of coverage, we will increase your Maximum Daily Benefits by a fixed amount of 5% of the amounts shown on the Policy Schedule. Your remaining Maximum Lifetime Benefit will also be increased on a proportional basis.

See the accompanying charts on page 15 which illustrate Maximum Daily Benefits with and without an automatic increase benefit. Note that the premium for the automatic increase benefit covers the cost of future scheduled increases. Benefits automatically increase each year; premiums do **not** change because of the automatic benefit increase. **However, we do have the right to change premium in the future as described in 4 and 5 above.**

12. ALZHEIMER'S DISEASE AND OTHER ORGANIC BRAIN DISORDERS. Your policy provides benefits, subject to all provisions of the policy, for Alzheimer's Disease or senile dementia, which are determined by clinical tests that reliably measure and produce clinical evidence.

13. PREMIUM

The total premium for this policy is \$ _____.

The portion of the premium for the Nonforfeiture Benefit/Shortened Benefit Rider, if selected, is \$ _____.

14. ADDITIONAL FEATURES

(a) Medical underwriting is used for this policy.

Your eligibility for coverage is based on the answers to the medical questions in the application.

(b) Unintentional Lapse Protection. You have the right to designate an individual in addition to yourself to receive notification when your policy will terminate because of nonpayment of premium.

We will notify the person you designate at least 30 days before the scheduled termination date of the policy, but not earlier than 30 days after the premium due date. The notice will be given by first class United States mail, postage prepaid. Notice will be deemed to have been given as of five (5) days after the date of mailing. On every renewal of your policy, you will be given the right to change the designated person.

Also, if the policy should terminate for nonpayment of premium because you suffered Cognitive Impairment or Functional Incapacity, or you would have otherwise qualified for benefits under the policy at the time of policy termination, we will reinstate the policy without requiring evidence of your insurability if you or your authorized representative request it within six (6) months following the termination of your policy for nonpayment of premium.

(c) Contingent Benefit Upon Lapse. If your policy lapses within 120 days of the due date of a premium rate increase and you have rejected the offer of a Nonforfeiture Benefit/Shortened Benefit Rider which is available to you, then we will provide a contingent benefit to you.

The contingent benefit provides for continuation of coverage during your lifetime if your policy lapses as a result of a substantial premium increase as outlined in the policy. The contingent benefit upon lapse shall be triggered every time we increase the premium rates to a level which results in a cumulative increase of the annual premium equal to or exceeding a percentage of your initial annual premium. (See policy language for specific information.)

- (d) Care Management. During your claim, we can, with your approval, provide you with access to care management professionals, named at our discretion, who can work with you, Your Personal Representative, and your Licensed Health Care Practitioner to create and monitor your Plan of Care. Assessments of your situation and evaluation of potential care resources may be provided during this period. Care Management Services will be provided at no cost to you and will not count against your Maximum Lifetime Benefit. You are not required to use this service or any provider located by this service.
- (e) Alternate Plan of Care Benefit. If you have been certified Chronically Ill and the Licensed Health Care Practitioner has recommended that You need assistance provided in a Long-Term Care Facility, alternative options may be available to You. For this Alternate Plan of Care Benefit to be considered, it must be a cost-effective alternative to benefits under Your policy and be:
 - (1) Requested by You or Your Personal Representative; and
 - (2) Developed by or with a Licensed Health Care Practitioner; and
 - (3) Approved, in writing, by You or Your Personal Representative, the Licensed Health Care Practitioner, and Us, before implementation of any alternative arrangements.

No benefits are eligible for any Alternate Plan of Care services received prior to Our receiving the agreements described above.

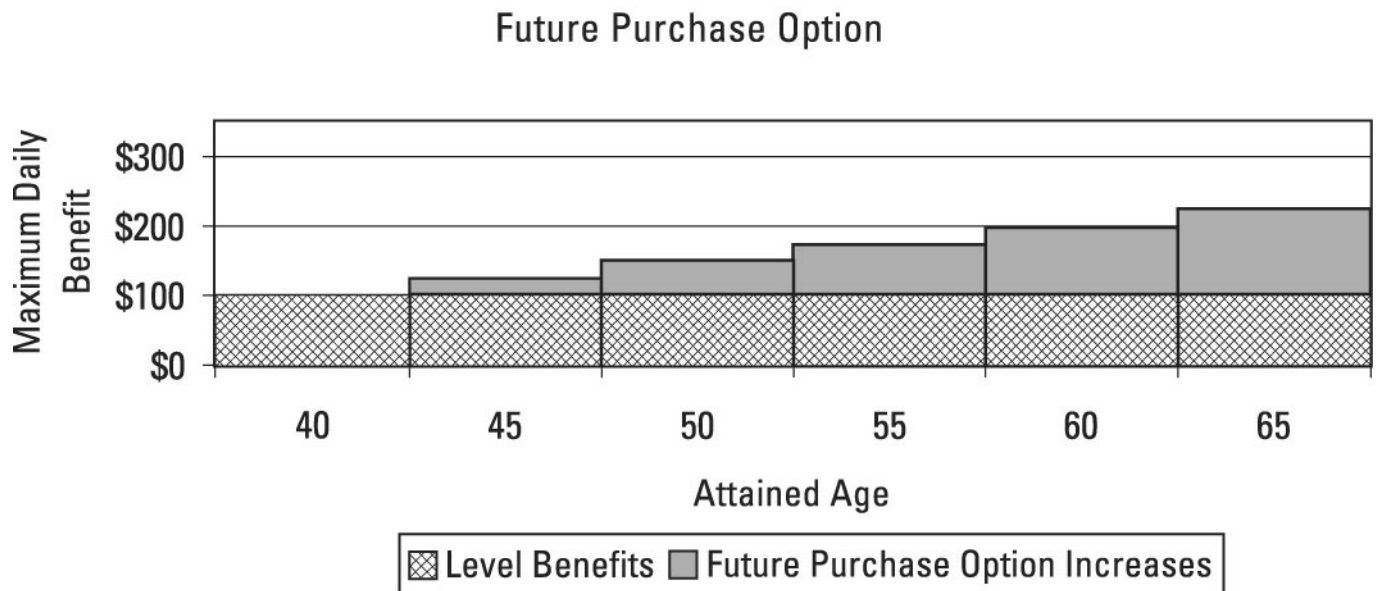
Agreement to participate in an Alternate Plan of Care will not waive any of Your or Our rights under the policy.

This alternative arrangement for care may identify specific treatments or locations for care to be provided. If an Alternate Plan of Care agreement is approved, benefits will only be provided per this agreement. The Medical Help Benefit, Caregiver Training, and Home Modification and Durable Medical Equipment Benefit may be utilized as specified to assist you to remain at home. We will pay the lesser of:

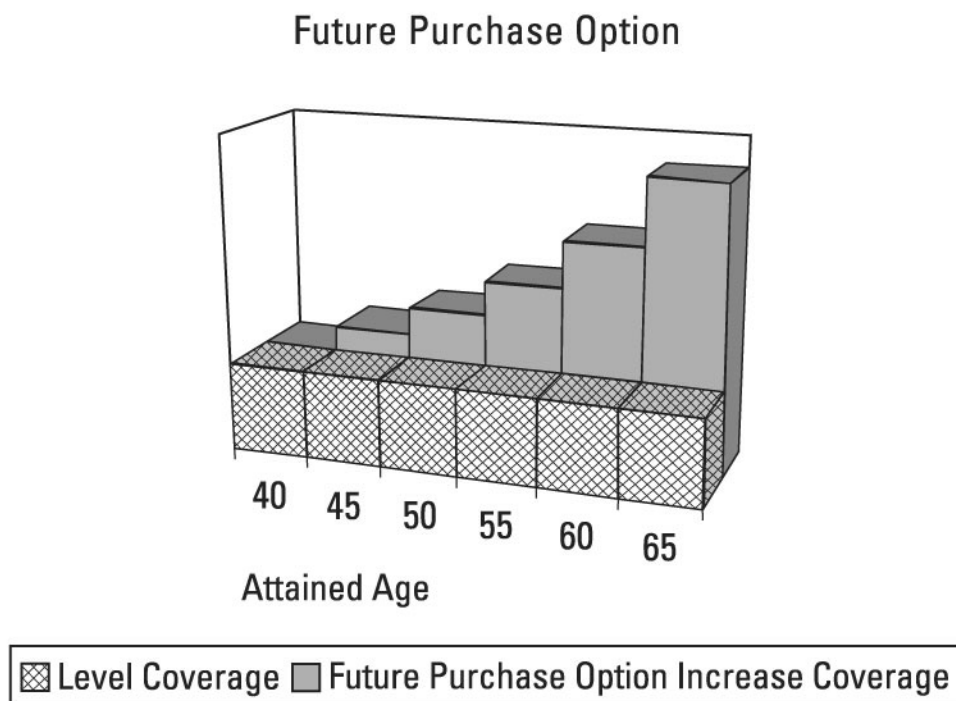
- (1) The Maximum Daily Benefit; or
- (2) The expense You incur under this agreement.

15. CONTACT THE STATE SENIOR HEALTH INSURANCE ASSISTANCE PROGRAM TOLL-FREE AT 1-800-371-2782 IF YOU HAVE GENERAL QUESTIONS REGARDING LONG-TERM CARE INSURANCE. CONTACT STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY IF YOU HAVE SPECIFIC QUESTIONS REGARDING YOUR LONG-TERM CARE INSURANCE POLICY.

Growth of Payment Maximums Over Time



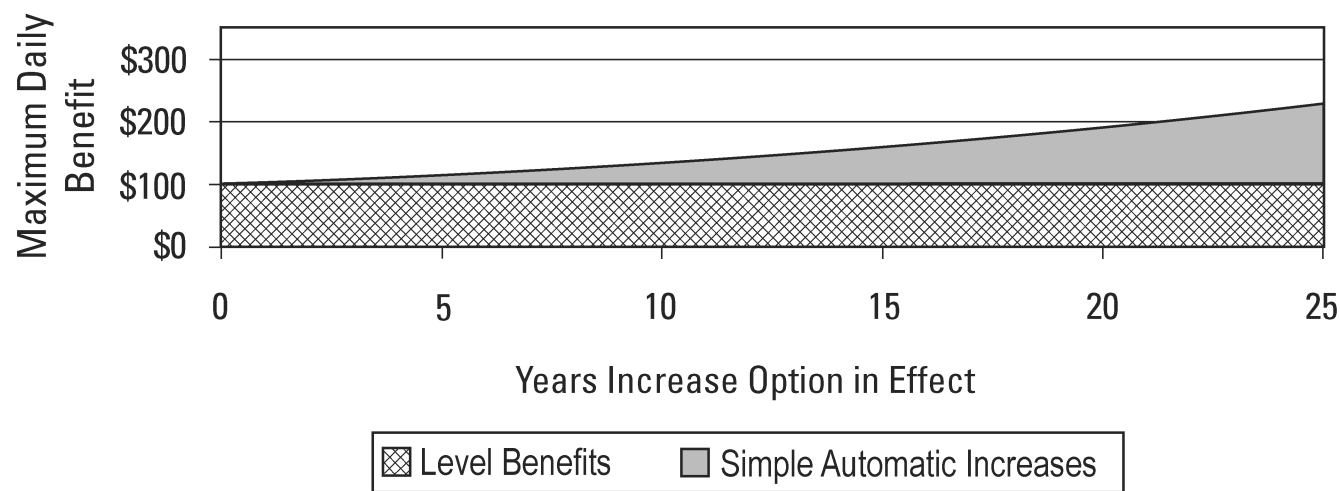
Relative Premium Costs



Level Coverage assumes Future Purchase Option is never elected. Future Purchase Option Increase Coverage assumes Future Purchase Option is exercised at each possible election date.

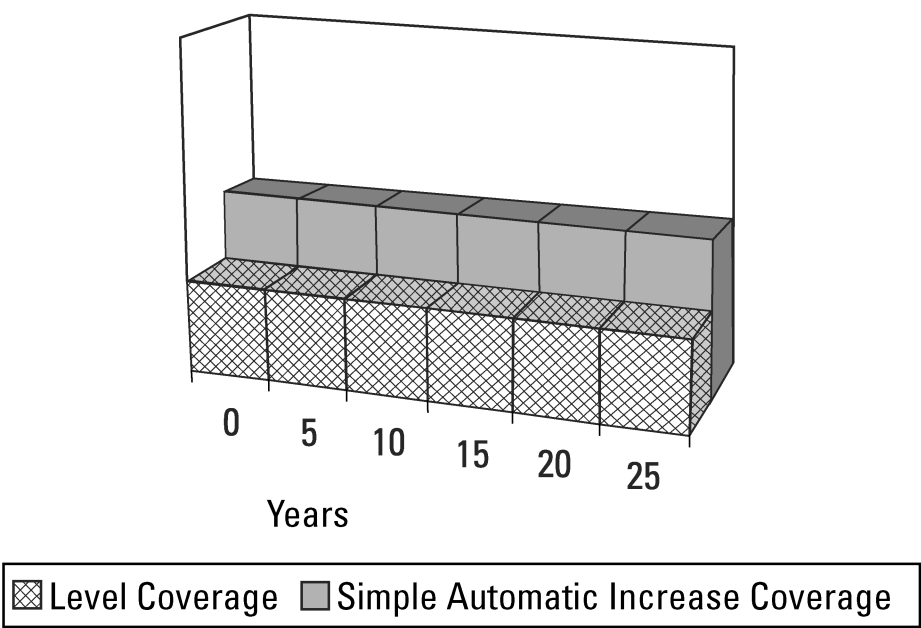
Growth of Payment Maximums Over Time

Simple Automatic Increase Benefit



Relative Premium Costs

Simple Automatic Increase Benefit



**State Farm Mutual Automobile
Insurance Company**

Home Office, Bloomington, Illinois 61710



September 25, 2008

Julie Benafield Bowman
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, Arkansas 72201-1904

Re: Long-Term Care Insurance Policy Form 97060 AR
Long-Term Care Insurance Policy Form 97060 ARS
Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR
Long-Term Care Insurance Application Form 1000899
Long-Term Care Outline of Coverage Form 1000831
Personal Worksheet 1000483
Potential Rate Increase Disclosure Form 1000486
Replacement Notice 126729.1
Rates

Dear Ms. Bowman:

Enclosed for filing on behalf of the State Farm Mutual Automobile Insurance Company of Bloomington, Illinois are the referenced forms. These forms will be utilized for those individuals who desire long-term care coverage; however, do not wish to purchase a long-term care partnership policy.

We have submitted a separate filing for three long-term care partnership policies. It may be advantageous to keep these filings together since the changes made are very similar.

Long-Term Care Insurance Policy Form 97060 AR

Long-Term Care Insurance Policy Form 97060 AR will replace Long-Term Care Insurance Policy Form 97059 AR, approved September 19, 2006. The following changes have been made to this policy:

- Modified the definition of Home Health Care Agency.
- Modified the 2nd paragraph of the Medical Help System Benefit.
- Modified the 3rd paragraph of the Waiver of Premium Benefit.
- Deleted reference to Alternate Care Facility in the 1st paragraph of the Alternate Plan of Care Benefit and the 1st paragraph of the Home Modification and Durable Medical Equipment Benefit.
- Modified the 4th paragraph of the Home Modification and Durable Medical Equipment Benefit.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois 61710-0001

Julie Benafield Bowman

Page 2

September 25, 2008

- The Contingent Nonforfeiture Benefit was previously provided as an amendment rider to the policy; however, now the language has been added within the policy.
- Deleted the incarceration exclusion.
- Modified the Unintentional Lapse Protection provision.
- Added a provision entitled Your Right to Reduce Coverage and Lower Premiums.
- Modified the Mutual Conditions language.

Long-Term Care Insurance Policy Form 97060 ARS

The 97060 ARS policy has been created for those individuals who desire a long-term care insurance policy with simple inflation coverage. This policy is identical to the 97060 AR policy with the exception of the following:

- Deleted the Future Purchase Option
- Added the Simple Automatic Increase Benefit

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR

Nonforfeiture Benefit/Shortened Benefit Rider Form 99591 AR will replace Nonforfeiture Benefit/Shortened Benefit Rider form 99591, approved September 24, 2003. No verbiage changes were made to this rider.

Long-Term Care Insurance Application Form 1000899

Long-Term Care Insurance Application Form 1000899 will replace Application for Long-Term Care Insurance Policy Form 130594, approved September 19, 2006. The following changes have been made:

- Revised the optional benefits in Section 2.
- Moved mailing address to the end of the application form.
- Revised the fields in Section 8.

Long-Term Care Outline of Coverage Form 1000831

Long-Term Care Outline of Coverage Form 1000831 will replace Long-Term Care Insurance Outline of Coverage Form 950-94500 AR.1, approved September 19, 2006. The changes made to the policy were brought forward into this document as deemed necessary. This outline will be utilized with the sales presentation for 97060 AR and 97060 ARS policies.

State Farm Mutual Automobile Insurance Company
Bloomington, Illinois 61710-0001

Julie Benafield Bowman
Page 3
September 25, 2008

Personal Worksheet 1000483
Replacement Notice 126729.1
Potential Rate Increase Disclosure Form 1000486

These forms follow the NAIC LTC Model law. These forms will be utilized with the sales presentation for the 97060 AR and 97060ARS policies.

Previously Approved Forms

The following approved forms will be utilized with these policies/applications:

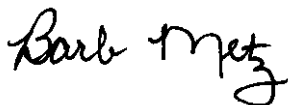
Form #	Form Name	Approval Date
99005	Amendment of Application for Health Insurance	07-23-70

Rates

The actuarial memorandum, exhibits and rates are enclosed for the forms submitted.

If you have any questions, please let us know.

Sincerely,



Barb Metz
Analyst-Health Contracts and Compliance
(309) 766-6544
FAX (309) 766-8483
E-mail – Barb.Metz.bfn5@statefarm.com

Exhibit I

Reserve Basis and Sample Calculation

Reserves are established in conformity with NAIC Model Accident and Health Reserve Standards using the following basis:

Method:	One Year Preliminary Term
Interest Rate:	4.00%
Mortality:	94 Group Annuity Mortality Table
Voluntary Lapse:	min{6%, 80% of pricing lapses} for 1 st year
	min{4%, 80% of pricing lapses} for years 2 - 4
	min{2%, 100% of pricing lapses} for remaining years
Morbidity:	pricing claim costs
Type of Reserve	Mid terminal

Sex distinct reserves are held with an explicit load for conservatism applied to the reserves calculated using the basis above. The overall load is 5%. Sample calculations are shown on the following page.

Exhibit I (continued)

Male Age 55, Lifetime Benefit Period, 90 Day Elimination Period, No Inflation

1Yr Pre Term Net Premium: 443.39
Load for margin: 5%

Policy Duration	Attained Age	Inforce BOY	Mortality per 1000	Pricing		80% or 100% Lapse	Allowed Lapse	Anti-Select MidYear	Inforce MidYear	Claim Cost	Waiver Cost	Interest Rates	Discount BOY	Discount MidYear	PV Benefits	PV 1\$ Prem	Terminal Reserve	Loaded Mid Terminal
				Lapse Rate	Lapse Rate													Reserve Factors
0	55	1.00	4.43	0.06	0.05	0.05	0.05	0.0000	0.998	18.27	0.48	4.0%	1.00	0.98	18.35	1.00	0.00	0.00
1	56	0.95	4.95	0.04	0.03	0.03	0.03	0.0000	0.948	33.60	0.89	4.0%	0.96	0.94	30.83	0.91	408.55	214.49
2	57	0.91	5.58	0.03	0.02	0.02	0.02	0.0162	0.927	49.40	1.31	4.0%	0.92	0.91	42.60	0.84	833.91	652.29
3	58	0.89	6.30	0.02	0.01	0.01	0.01	0.0171	0.904	66.39	1.76	4.0%	0.89	0.87	53.71	0.79	1264.02	1101.41
4	59	0.87	7.09	0.01	0.01	0.01	0.01	0.0140	0.882	80.79	2.14	4.0%	0.85	0.84	61.34	0.74	1701.72	1557.02
5	60	0.86	7.98	0.01	0.01	0.01	0.01	0.0092	0.862	110.70	2.94	4.0%	0.82	0.81	78.98	0.70	2129.87	2011.59
6	61	0.84	8.99	0.01	0.01	0.01	0.01	0.0066	0.846	132.85	3.53	4.0%	0.79	0.77	89.42	0.66	2556.98	2460.60
7	62	0.83	10.15	0.01	0.01	0.01	0.01	0.0055	0.831	158.04	4.19	4.0%	0.76	0.75	100.44	0.63	2985.45	2909.78
8	63	0.81	11.47	0.01	0.01	0.01	0.01	0.0052	0.815	183.33	4.87	4.0%	0.73	0.72	109.96	0.59	3416.58	3361.07
9	64	0.80	12.94	0.01	0.01	0.01	0.01	0.0051	0.799	206.80	5.49	4.0%	0.70	0.69	116.92	0.56	3854.01	3817.06
10	65	0.78	14.54	0.01	0.01	0.01	0.01	0.0050	0.783	228.68	6.07	4.0%	0.68	0.66	121.70	0.53	4301.58	4281.69
11	66	0.77	16.24	0.01	0.01	0.01	0.01	0.0049	0.765	247.90	6.58	4.0%	0.65	0.64	123.96	0.49	4764.62	4759.76
12	67	0.75	18.03	0.01	0.01	0.01	0.01	0.0048	0.746	270.03	7.17	4.0%	0.62	0.61	126.66	0.46	5243.36	5254.19
13	68	0.73	19.86	0.01	0.01	0.01	0.01	0.0047	0.726	302.40	8.03	4.0%	0.60	0.59	132.80	0.43	5730.88	5761.47
14	69	0.71	21.73	0.01	0.01	0.01	0.01	0.0045	0.706	335.20	8.90	4.0%	0.58	0.57	137.56	0.41	6229.50	6279.20
15	70	0.69	23.73	0.01	0.01	0.01	0.01	0.0044	0.685	367.42	9.75	4.0%	0.56	0.54	140.62	0.38	6742.95	6810.53
16	71	0.67	25.95	0.01	0.01	0.01	0.01	0.0042	0.663	403.22	10.70	4.0%	0.53	0.52	143.62	0.35	7271.84	7357.76
17	72	0.64	28.48	0.01	0.01	0.01	0.01	0.0041	0.640	442.48	11.74	4.0%	0.51	0.50	146.32	0.33	7818.06	7922.20
18	73	0.62	31.20	0.01	0.01	0.01	0.01	0.0039	0.616	521.51	13.84	4.0%	0.49	0.48	159.66	0.30	8348.77	8487.59
19	74	0.60	34.05	0.01	0.01	0.01	0.01	0.0038	0.592	614.62	16.31	4.0%	0.47	0.47	173.72	0.28	8853.86	9031.38
20	75	0.57	37.21	0.01	0.01	0.01	0.01	0.0036	0.566	724.42	19.23	4.0%	0.46	0.45	188.45	0.26	9319.53	9541.03
21	76	0.55	40.86	0.01	0.01	0.01	0.01	0.0035	0.540	854.08	22.67	4.0%	0.44	0.43	203.76	0.24	9729.73	10000.86
22	77	0.52	45.17	0.01	0.01	0.01	0.01	0.0033	0.513	1007.06	26.73	4.0%	0.42	0.41	219.43	0.22	10065.86	10392.68
23	78	0.49	50.21	0.01	0.01	0.01	0.01	0.0031	0.485	1113.48	29.55	4.0%	0.41	0.40	220.51	0.20	10379.11	10733.61
24	79	0.47	55.86	0.01	0.01	0.01	0.01	0.0029	0.456	1232.30	32.71	4.0%	0.39	0.38	220.56	0.18	10668.23	11049.85
25	80	0.44	62.03	0.01	0.01	0.01	0.01	0.0027	0.426	1364.07	36.20	4.0%	0.38	0.37	219.28	0.16	10930.77	11339.48
26	81	0.41	68.62	0.01	0.01	0.01	0.01	0.0025	0.395	1512.77	40.15	4.0%	0.36	0.35	216.94	0.14	11159.51	11597.40
27	82	0.38	75.53	0.01	0.01	0.01	0.01	0.0023	0.364	1676.65	44.50	4.0%	0.35	0.34	212.95	0.13	11347.25	11816.05
28	83	0.34	82.51	0.01	0.01	0.01	0.01	0.0021	0.333	1865.82	49.52	4.0%	0.33	0.33	208.32	0.11	11474.61	11981.48
29	84	0.31	89.61	0.01	0.01	0.01	0.01	0.0019	0.302	2075.66	55.09	4.0%	0.32	0.31	202.16	0.10	11519.97	12072.16
30	85	0.28	97.24	0.01	0.01	0.01	0.01	0.0017	0.272	2308.59	61.27	4.0%	0.31	0.30	194.57	0.08	11456.25	12062.52
31	86	0.25	105.79	0.01	0.01	0.01	0.01	0.0016	0.242	2574.12	68.32	4.0%	0.30	0.29	186.07	0.07	11247.64	11919.54
32	87	0.23	115.67	0.01	0.01	0.01	0.01	0.0014	0.214	2870.60	76.19	4.0%	0.29	0.28	176.15	0.06	10858.05	11605.49
33	88	0.20	126.98	0.01	0.01	0.01	0.01	0.0012	0.187	3028.29	80.38	4.0%	0.27	0.27	155.88	0.05	10407.99	11164.67
34	89	0.17	139.45	0.01	0.01	0.01	0.01	0.0010	0.161	3189.97	84.67	4.0%	0.26	0.26	135.90	0.04	9898.44	10660.88
35	90	0.15	152.93	0.01	0.01	0.01	0.01	0.0009	0.136	3352.77	88.99	4.0%	0.25	0.25	116.45	0.03	9325.52	10092.58
36	91	0.12	167.26	0.01	0.01	0.01	0.01	0.0007	0.114	3532.48	93.76	4.0%	0.24	0.24	98.41	0.03	8662.90	9443.92
37	92	0.10	182.28	0.01	0.01	0.01	0.01	0.0006	0.093	3704.00	98.31	4.0%	0.23	0.23	81.33	0.02	7893.23	8691.97
38	93	0.08	198.39	0.01	0.01	0.01	0.01	0.0005	0.075	3644.41	96.73	4.0%	0.23	0.22	61.90	0.02	7188.22	7917.76
39	94	0.07	215.70	0.01	0.01	0.01	0.01	0.0004	0.059	3593.65	95.38	4.0%	0.22	0.21	46.24	0.01	6543.92	7209.37
40	95	0.05	233.61	0.01	0.01	0.01	0.01	0.0003	0.045	3539.34	93.94	4.0%	0.21	0.20	33.75	0.01	5967.69	6568.60
41	96	0.04	251.51	0.01	0.01	0.01	0.01	0.0002	0.034	3502.06	92.95	4.0%	0.20	0.20	24.17	0.01	5445.25	5991.80
42	97	0.03	268.82	0.01	0.01	0.01	0.01	0.0002	0.025	3452.87	91.65	4.0%	0.19	0.19	16.86	0.00	4979.03	5472.75
43	98	0.02	285.28	0.01	0.01	0.01	0.01	0.0001	0.018	3446.09	91.47	4.0%	0.19	0.18	11.63	0.00	4522.34	4988.22
44	99	0.01	301.30	0.01	0.01	0.01	0.01	0.0001	0.013	3407.20	90.43	4.0%	0.18	0.17	7.77	0.00	4075.01	4513.61
45	100	0.01	317.24	0.01	0.01	0.01	0.01	0.0001	0.009	3348.89	88.89	4.0%	0.17	0.17	5.04	0.00	3629.85	4045.05
46	101	0.01	333.46	0.01	0.01	0.01	0.01	0.0000	0.006	3270.64	86.81	4.0%	0.16	0.16	3.18	0.00	3179.30	3574.80
47	102	0.00	350.33	0.01	0.01	0.01	0.01	0.0000	0.004	3170.07	84.14	4.0%	0.16	0.16	1.94	0.00	2714.84	3094.42
48	103	0.00	368.54	0.01	0.01	0.01	0.01	0.0000	0.002	3001.69	79.67	4.0%	0.15	0.15	1.13	0.00	2259.84	2611.71
49	104	0.00	387.86	0.01	0.01	0.01	0.01	0.0000	0.002	2800.79	74.34	4.0%	0.15	0.14	0.63	0.00	1820.24	2142.04
50	105	0.00	407.22	0.01	0.01	0.01	0.01	0.0000	0.001	2559.97	67.95	4.0%	0.14	0.14	0.33	0.00	1403.53	1692.48
51	106	0.00	425.60	0.01	0.01	0.01	0.01	0.0000	0.001	2276.08	60.41	4.0%	0.14	0.13	0.16	0.00	1014.89	1269.67
52	107	0.00	441.94	0.01	0.01	0.01	0.01	0.0000	0.000	1953.42	51.85	4.0%	0.13	0.13	0.08	0.00	655.13	876.76
53	108	0.00	457.55	0.01	0.01	0.01	0.01	0.0000	0.000	1603.61	42.56	4.0%	0.13	0.12	0.03	0.00	319.13	511.48
54	109	0.00	473.15	0.01	0.01	0.01	0.01	0.0000	0.000	1234.72	32.77	4.0%	0.12	0.12	0.01	0.00	616.46	491.18

Exhibit II
Gross Premium, Net Premium, Renewal Expense Comparison

Per \$100 Maximum Daily Benefit

Issue Age	Benefit Period	Elimination Period	Inflation Protection	Gross Premium	Net Premium	Levelized Renewal Expenses
40	2	30	None	272.68	145.38	69.93
50	2	30	None	357.03	237.93	86.54
60	2	30	None	607.60	417.42	137.19
70	2	30	None	1,509.47	959.23	318.32
40	2	30	Simple	567.40	424.80	118.42
50	2	30	Simple	818.53	603.34	162.58
60	2	30	Simple	1,190.37	877.93	233.11
40	2	90	None	242.68	115.94	63.82
50	2	90	None	296.97	189.51	74.51
60	2	90	None	500.90	330.33	115.30
70	2	90	None	1,276.44	747.54	268.30
40	2	90	Simple	468.18	342.43	100.96
50	2	90	Simple	676.30	486.29	137.10
60	2	90	Simple	973.68	704.66	193.31
40	2	180	None	212.86	98.76	58.23
50	2	180	None	286.27	161.50	71.52
60	2	180	None	435.81	280.45	102.11
70	2	180	None	1,102.57	634.64	233.38
40	2	180	Simple	411.94	295.63	91.08
50	2	180	Simple	595.92	419.94	122.71
60	2	180	Simple	852.88	607.52	171.15
40	3	30	None	347.91	176.97	83.60
50	3	30	None	444.08	288.88	103.15
60	3	30	None	744.17	505.56	164.02
70	3	30	None	1,901.39	1,162.30	393.65
40	3	30	Simple	684.31	521.79	139.04
50	3	30	Simple	984.41	739.74	192.35
60	3	30	Simple	1,436.37	1,074.76	278.31
40	3	90	None	309.64	142.24	75.92
50	3	90	None	373.20	231.81	88.95
60	3	90	None	652.54	403.23	143.88
70	3	90	None	1,692.24	913.57	345.68
40	3	90	Simple	566.54	424.06	118.31
50	3	90	Simple	815.60	600.93	162.09
60	3	90	Simple	1,178.80	869.10	230.98
40	3	180	None	271.12	121.94	68.78
50	3	180	None	332.25	198.57	80.75
60	3	180	None	567.08	344.16	126.89
70	3	180	None	1,459.00	779.01	299.84
40	3	180	Simple	499.67	368.43	106.56
50	3	180	Simple	719.93	521.98	144.97
60	3	180	Simple	1,034.80	753.36	204.57
40	5	30	None	446.41	212.18	101.30
50	5	30	None	515.79	344.23	117.47
60	5	30	None	962.89	600.86	204.78
70	5	30	None	2,537.78	1,384.63	510.10
40	5	30	Simple	819.88	634.00	163.04
50	5	30	Simple	1,174.23	895.32	226.52
60	5	30	Simple	1,714.94	1,296.66	329.60
40	5	90	None	397.30	171.54	91.59
50	5	90	None	459.05	277.90	105.19
60	5	90	None	856.97	481.76	181.47
70	5	90	None	2,258.63	1,093.51	448.49
40	5	90	Simple	705.30	518.58	142.58
50	5	90	Simple	974.80	731.57	190.74
60	5	90	Simple	1,434.22	1,054.49	277.56

Exhibit II
Gross Premium, Net Premium, Renewal Expense Comparison

Per \$100 Maximum Daily Benefit

Issue Age	Benefit Period	Elimination Period	Inflation Protection	Gross Premium	Net Premium	Levelized Renewal Expenses
40	5	180	None	347.72	147.57	82.48
50	5	180	None	401.76	238.68	94.02
60	5	180	None	744.70	412.19	159.55
70	5	180	None	1,941.21	933.74	387.50
40	5	180	Simple	623.74	451.96	128.26
50	5	180	Simple	860.25	637.06	170.24
60	5	180	Simple	1,277.74	916.34	248.58
40	10	30	None	587.03	302.01	128.21
50	10	30	None	690.92	486.03	152.76
60	10	30	None	1,258.68	844.21	265.51
70	10	30	None	3,203.48	1,934.88	648.10
40	10	30	Simple	1,177.01	929.26	226.44
50	10	30	Simple	1,671.43	1,301.38	316.30
60	10	30	Simple	2,444.70	1,874.19	464.27
40	10	90	None	522.46	245.94	115.31
50	10	90	None	603.65	395.04	134.32
60	10	90	None	1,120.23	681.08	234.66
70	10	90	None	2,851.10	1,536.30	568.96
40	10	90	Simple	980.17	766.40	191.67
50	10	90	Simple	1,390.93	1,071.89	265.87
60	10	90	Simple	2,015.16	1,533.94	385.20
40	10	180	None	458.21	212.82	103.41
50	10	180	None	529.42	341.14	119.72
60	10	180	None	974.66	585.49	205.99
70	10	180	None	2,440.36	1,315.71	489.54
40	10	180	Simple	867.18	672.47	171.78
50	10	180	Simple	1,229.85	939.17	237.00
60	10	180	Simple	1,772.85	1,339.68	340.73
40	Lifetime	30	None	597.00	308.12	130.13
50	Lifetime	30	None	702.39	494.98	155.07
60	Lifetime	30	None	1,283.06	857.70	270.18
70	Lifetime	30	None	3,258.17	1,963.11	658.50
40	Lifetime	30	Simple	1,197.83	946.31	230.17
50	Lifetime	30	Simple	1,698.95	1,323.66	321.29
60	Lifetime	30	Simple	2,481.23	1,903.06	471.00
40	Lifetime	90	None	531.33	250.93	116.99
50	Lifetime	90	None	613.90	402.31	136.35
60	Lifetime	90	None	1,141.92	691.94	238.76
70	Lifetime	90	None	2,899.78	1,558.82	578.09
40	Lifetime	90	Simple	997.40	780.53	194.76
50	Lifetime	90	Simple	1,413.58	1,090.27	269.97
60	Lifetime	90	Simple	2,044.88	1,557.53	390.67
40	Lifetime	180	None	465.97	217.20	104.88
50	Lifetime	180	None	538.38	347.48	121.49
60	Lifetime	180	None	993.43	594.89	209.55
70	Lifetime	180	None	2,481.19	1,335.10	497.23
40	Lifetime	180	Simple	882.48	685.02	174.52
50	Lifetime	180	Simple	1,249.90	955.43	240.64
60	Lifetime	180	Simple	1,799.04	1,360.46	345.55

Exhibit III
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates and Proposed 97060 AR Rates

30 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates and Proposed 97060 AR Rates

90 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates and Proposed 97060 AR Rates

180 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%
61	0.0%	0.0%	0.0%	0.0%	0.0%
62	0.0%	0.0%	0.0%	0.0%	0.0%
63	0.0%	0.0%	0.0%	0.0%	0.0%
64	0.0%	0.0%	0.0%	0.0%	0.0%
65	0.0%	0.0%	0.0%	0.0%	0.0%
66	0.0%	0.0%	0.0%	0.0%	0.0%
67	0.0%	0.0%	0.0%	0.0%	0.0%
68	0.0%	0.0%	0.0%	0.0%	0.0%
69	0.0%	0.0%	0.0%	0.0%	0.0%
70	0.0%	0.0%	0.0%	0.0%	0.0%
71	0.0%	0.0%	0.0%	0.0%	0.0%
72	0.0%	0.0%	0.0%	0.0%	0.0%
73	0.0%	0.0%	0.0%	0.0%	0.0%
74	0.0%	0.0%	0.0%	0.0%	0.0%
75	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates with Simple Rider and Proposed 97060 ARS

30 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates with Simple Rider and Proposed 97060 ARS

90 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit III (continued)
State Farm Mutual Automobile Insurance Company
Bloomington, Illinois
Comparison between current 97059 AR Rates with Simple Rider and Proposed 97060 ARS

180 Day Elimination Period

<u>Issue Age</u>	<u>2 Year Benefit Period</u>	<u>3 Year Benefit Period</u>	<u>5 Year Benefit Period</u>	<u>10 Year Benefit Period</u>	<u>Lifetime Benefit Period</u>
30-34	0.0%	0.0%	0.0%	0.0%	0.0%
35-39	0.0%	0.0%	0.0%	0.0%	0.0%
40	0.0%	0.0%	0.0%	0.0%	0.0%
41	0.0%	0.0%	0.0%	0.0%	0.0%
42	0.0%	0.0%	0.0%	0.0%	0.0%
43	0.0%	0.0%	0.0%	0.0%	0.0%
44	0.0%	0.0%	0.0%	0.0%	0.0%
45	0.0%	0.0%	0.0%	0.0%	0.0%
46	0.0%	0.0%	0.0%	0.0%	0.0%
47	0.0%	0.0%	0.0%	0.0%	0.0%
48	0.0%	0.0%	0.0%	0.0%	0.0%
49	0.0%	0.0%	0.0%	0.0%	0.0%
50	0.0%	0.0%	0.0%	0.0%	0.0%
51	0.0%	0.0%	0.0%	0.0%	0.0%
52	0.0%	0.0%	0.0%	0.0%	0.0%
53	0.0%	0.0%	0.0%	0.0%	0.0%
54	0.0%	0.0%	0.0%	0.0%	0.0%
55	0.0%	0.0%	0.0%	0.0%	0.0%
56	0.0%	0.0%	0.0%	0.0%	0.0%
57	0.0%	0.0%	0.0%	0.0%	0.0%
58	0.0%	0.0%	0.0%	0.0%	0.0%
59	0.0%	0.0%	0.0%	0.0%	0.0%
60	0.0%	0.0%	0.0%	0.0%	0.0%

Exhibit IV
State Farm Mutual Automobile Insurance Company

Loss Ratio Calculation Exhibit

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY
BLOOMINGTON, ILLINOIS

Loss Ratio Demonstration by Policy Year
Assumes 1,000 Policies Issued According to the Distribution Shown in the Memorandum

<u>Policy Year</u>	<u>Earned Premium</u>	<u>Incurred Claims</u>	<u>Loss Ratio</u>
1	907,778	11,486	1%
2	855,221	19,449	2%
3	817,016	27,860	3%
4	794,430	38,049	5%
5	777,125	49,992	6%
6	765,359	65,811	9%
7	754,479	80,785	11%
8	742,364	95,967	13%
9	728,848	112,732	15%
10	713,789	129,194	18%
11	697,616	146,636	21%
12	680,808	167,739	25%
13	663,332	190,063	29%
14	645,180	213,552	33%
15	626,385	239,046	38%
16	606,982	266,232	44%
17	586,980	297,376	51%
18	566,368	330,640	58%
19	545,167	363,293	67%
20	523,451	399,117	76%
21	501,311	437,158	87%
22	478,810	479,368	100%
23	455,997	525,014	115%
24	432,940	559,021	129%
25	409,756	596,642	146%
26	386,574	637,510	165%
27	363,506	682,359	188%
28	340,641	730,018	214%
29	318,076	757,447	238%
30	295,932	787,980	266%
31	274,326	820,509	299%
32	253,350	854,437	337%
33	233,068	888,558	381%
34	213,539	888,861	416%
35	194,831	890,140	457%
36	177,017	890,612	503%
37	160,151	889,128	555%
38	144,271	884,840	613%
39	129,398	839,457	649%
40	115,550	798,335	691%
41	102,740	759,511	739%
42	90,971	722,654	794%
43	80,225	686,729	856%
44	70,470	625,849	888%
45	61,663	572,993	929%
46	53,760	526,389	979%
47	46,705	485,554	1040%
48	40,440	449,233	1111%
49	34,895	400,964	1149%
50	30,006	360,144	1200%
51	25,709	325,065	1264%
52	21,946	294,864	1344%
53	18,660	268,318	1438%
54	15,797	235,192	1489%
55	13,308	207,176	1557%
56	11,150	182,991	1641%
57	9,287	161,982	1744%
58	7,684	143,323	1865%
59	6,312	121,139	1919%
60	5,141	102,261	1989%
61	4,148	85,950	2072%
62	3,312	71,901	2171%
63	2,615	59,600	2279%
64	2,040	46,997	2303%
65	1,570	36,655	2334%
Lifetime @ 4.0%	12,415,484	7,654,121	62%

SERFF Tracking Number: *STFH-125832827* State: *Arkansas*

Filing Company: *State Farm Mutual Automobile Insurance* State Tracking Number: *40360*

Company *Company*

Company Tracking Number:

TOI: *LTC03I Individual Long Term Care* Sub-TOI: *LTC03I.001 Qualified*

Product Name: *Long-Term Care Insurance 97060 AR & 97060 ARS*

Project Name/Number: */*

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Nonforfeiture Benefit/Shortened Benefit Rider	09/25/2008	99591 AR.pdf

NONFORFEITURE BENEFIT/SHORTENED BENEFIT RIDER

In consideration of the additional premium shown on the Policy Schedule, it is agreed that the following benefit is added to Your policy.

What It Is and How It Works

If You do not pay the premium that becomes due after the policy has been in force at least 3 years and the policy is not put back in force as described in Section 5, it will stay in force and the Nonforfeiture Benefit will apply.

The Nonforfeiture Date is the date that coverage under the policy would otherwise end in the absence of the Nonforfeiture Benefit. It cannot be less than 3 years after the Effective Date of Coverage.

The Nonforfeiture Benefit provides for continuation of coverage during Your lifetime if You stop paying premiums. The benefits payable for a Long-Term Care Facility stay or Home and Community-Based Care, which begin after the Nonforfeiture Date, as defined below, will be subject to the following limits:

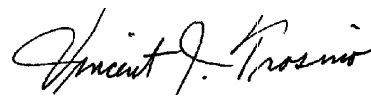
1. The Maximum Daily Benefit amount will be the amount in effect on the Nonforfeiture Date.
2. The maximum amount We will pay for all covered care or services You receive after the Nonforfeiture Date is the greater of:
 - a. 100% of the sum of all premiums paid for this policy, including the premiums paid prior to any changes in benefits; or
 - b. 30 times the Maximum Daily Benefit in effect on the Nonforfeiture Date.

However, the total benefits payable under the policy for a period of care, including this Nonforfeiture Benefit, will not exceed the benefit period stated on the Policy Schedule.

Benefits will be payable in accordance with all other terms and conditions of the policy.

Issued by the STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY, of Bloomington, Illinois.


Secretary


President